Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 75
Bahrain .. Din.0 650	Italy .... L 1100	S. Arabia .. Rls 6.00
Belgium .... Bfr 38	Japan Y550	Singapore . S$ 4.10
Canada .... C$2.00	Jordan Fils.500	Spain .... Pta 100
Cyprus .. Mils 600	Kuwait .. Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr.7.25	Lebanon .. L£ 6.00	Sweden .. Skr 8.50
Egypt .... E£1.00	Luxembourg . Lfr.38	Switzerland SFr 2.00
Finland . Fmk 5.50	Malaysia .. Rin 4.25	Taiwan ... NT $85
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 8.00	U.S.A. $1.50
India .... Rup 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,334 — Thursday May 31 1984 — D 8523 B

Economic Viewpoint: a new look at the Depression, Page 17

NEWS SUMMARY

GENERAL

Botha suggests Angola pact

South African Prime Minister P. W. Botha held out the possibility of a non-aggression pact with Angola similar to the recent treaty with Mozambique, but warned that this was conditional on the country preventing guerrillas operating there.

He said in Lisbon at the start of a European tour that he did not intend to discuss reform within South Africa during his meetings with government leaders abroad.

Catalan election

Catalan nationalist leader Sr Jorgi Pujol was overwhelmingly elected to head the region's autonomous Government by the Catalan Parliament as thousands of supporters staged a major anti-Madrid demonstration. Page 2

Iraq strikes ship

Iraq said its air force attacked and hit a large ship south of Iran's Kharg island oil terminal in the Gulf. Iran lowers sights, Page 4

Greek rally

Greek business people plan a mass rally in Athens tonight against Government "persecution" of the private sector. Page 3

Executions demand

A Turkish military prosecutor requested death sentences for five defendants at the opening of a mass trial of 96 alleged Kurdish militants in the south-eastern city of Diyarbakir.

Bombs in Spain

Five bombs exploded outside government offices in Madrid and three other Spanish cities, causing damage but no casualties.

Diplomat 'assaulted'

An American diplomat was assaulted in Leningrad by a group of Soviet youths last month and U.S. authorities have made a strong protest about the incident, the U.S. Embassy in Moscow said.

Cheap air fares

The Dutch Government said airlines could introduce cheap air fares between London and Amsterdam from July 1 and denied a statement by British Airways that the Netherlands had rejected the plan. Page 8.

Ministers sacked

Poland's Minister for the Engineering Industry, Edward Lukasz, whose department has been officially criticised for low exports to the West, was sacked along with Stanislaw Ciosek, Minister for Labour, Wages and Social Services.

Officer suspected

A senior officer in Israel's military command was reported to have been named in a secret report on the murder of two Palestinians who hijacked a bus. Page 4

Sakharov 'eating'

Soviet dissident Andrei Sakharov, reported to be on hunger strike, is eating regularly, feeling well and leading an active life, Tass news agency said.

Envoy threatened

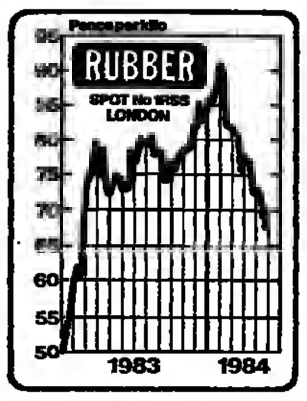
European Community representative Gwyn Morgan is being temporarily withdrawn from Turkey after an incident in which he was threatened with a gun as he was driving through Ankara.

BUSINESS

Deficit widens on U.S. trade

U.S. TRADE deficit for April grew to $12.2bn, a fourth consecutive monthly record. It took the total for the year so far to $42bn, against $69.4bn for the whole of 1983. Page 5

U.S. SALES of new single family homes fell 4.9 per cent in April to a seasonally adjusted annual rate of 634,000.



RUBBER prices fell sharply in London following an overnight decline in Far East markets. The No 1 RSS spot price fell 2.75p to 87.5p a kilogram – 23.5p below its January peak. Page 44

WALL STREET: The Dow Jones industrial average was up 1.35 at 1,102.59 at the close. Report, Page 35; Share prices, Pages 36–38, 44

LONDON: FT Industrial Ordinary index plunged 22.8 to 803.4. Gilts were relatively quiet but still weak. Chief price changes, Page 38; Details, Page 39; Share information service, Pages 40–41.

DOLLAR improved to DM 2.734 (DM 2.73) and SwFr 2.2615 (SwFr 2.257) but fell to FFr 8.3975 (FFr 8.4125) and Y231.4 (Y231.7). On Bank of England figures its, trade-weighted index fell to 131.0 from 131.3. In New York it closed at DM 2.74, SwFr 2.26, FFr 8.39 and Y232.25. Page 45

STERLING eased 10 points to $1.385. It was also lower at FFr 11.6275 (FFr 11.655) and Y320.75 (Y321.25), but improved to DM 3.79 (DM 3.7875) and SwFr 3.135 (SwFr 3.13). Its trade-weighted index dropped to 79.5 from 79.6. In New York it closed at $1.38. Page 45

GOLD fell 25 cents in Londoo to $385.50. It improved in Frankfurt to $386.50 and in Zurich to $386.75. In New York the June Comex settlement was $384.50. Page 45

TOKYO stock market retreated with the Nikkei-Dow market average 23 points down at 10,140.97. The Stock Exchange index dropped 2.87 to 790.74. Details, Page 35; Leading prices, Page 38

AUSTRALIAN court overturned a judge's ruling against the Apple Company that computer programs were not entitled to copyright protection. Sydney's Federal Court upheld Apple's appeal that a Taiwan-made personal computer called Wombet infringed its copyright. Page 6

HUNGARY had a first-quarter current account surplus of $120m and will be able to meet its debt servicing and repayment obligations, said Politburo member Ference Havasi. Page 2

The editorial content of today's international edition has been restricted because of continuing industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news, the final Wall Street report and closing U.S. over-the-counter and Canadian share prices.

IG Metall wins order against lock-out move

BY JAMES BUCHAN IN BONN

Workers on strike in the West German engineering industry scored a tactical victory over employers yesterday when a Frankfurt court issued an injunction against the locking-out of 26,000 employees in the state of Hesse.

Local employers at once appealed against the decision of the Frankfurt Labour Court. It is a significant moral and financial boost to IG Metall, the engineering workers' union, which withdrew from talks on a shorter working week on Tuesday oight.

With the strike by 58,000 engineering workers in its third week, the unioo oo Tuesday rejected an offer by employers of a two-stage reduction in the working week for shift-workers from 40 to 38 hours. IG Metall claimed yesterday that the measure would benefit only 14 per cent of the 3.6m employees in the industry.

With the employers' appeal not due to be ruled oo ontil Monday, it seems likely that the locked-out workers will be back at work at 18 plants in Hesse oo Friday, after today's holiday.

The Hessian constitution forbids lock-outs, but judges have tended to interpret the federal constitution to allow such retaliatory action if it is "reasooable." Past experience suggests that a complex legal battle could run parallel to the industrial dispute, wbich bas all but crippled the motor industry and put about 350,000 people temporarily out of work.

The two sides hroke up on Tuesday night without agreeing a new meeting, but there remains some optimism that the employers' offer to abandon the 40-hour rule for at least some workers carries the seeds of an eventual solution.

IG Metall continues to press for sborter time for the entire industry, while employers are still keeo to protect smaller companies from the impact of a sudden cut in the working week.

The dispute has so far escaped the hitterness generated by the flanking action for a shorter working week conducted by the IG Druck printers' union, whicb yesterday struck at publications in Hesse.

For the moment, IG Metall shows no sign of extending the strike from the key component factories in Hesse and around Stuttgart.

John Davies adds from Frankfurt: The dispute has hit manufacturers outside the car iodustry, among them the Hanau plant of Brown Boveri, the Swiss-hased electrical concern; the Triumph Adler electronic typewriter factory in Frankfurt; and the Frankfurt works of Siemens, the computer and electronic group.

Both sides count cost of strikes, Page 3

British miners' leader arrested on picket line

BY PHILIP BASSETT IN LONDON

MR ARTHUR Scargill, president of the British National Unioo of Mineworkers, was yesterday arrested on a picket line at the Orgreave coking works near Sheffield. He was charged with obstruction and released from police custody oo unconditional bail.

His arrest was made during some of the most violeot clashes seen between police and miners during the 11 week strike in the coal industry.

The pickets were attempting to halt lorries entering the Orgreave works to collect coal essential to the operation of British Steel's Scunthorpe steelworks, 40 miles away.

The worst violence came as pickets ripped up a British Steel temporary building from its site and laid it across the road as a barricade. A senior police officer at the scene said: "This has gone far beyond peaceful picketing. This is a riot."

Police eventually gained control and the trucks were able to enter the plant.

Mrs Margaret Thatcher, the Prime Minister, condemned the violence. It was "an attempt to substitute the rule of the mob for the rule of law."

She told a meeting of farmers in Oxfordshire that people were using "violence and intimidatioo to impose their will on others who do not want it."

Her attack was followed by a claim by Mr Peter Walker, the Energy Secretary, that the rule of law was winning and that the "mob has failed everywhere."

The Prime Minister last night chaired a meeting of senior ministers which was to discuss the dispute and "keep ministers in touch" with developments.

It was feared that the arrest of Mr Scargill would jeopardise planned peace talks between the union and the British Coal Board. It was announced later, however, that talks would start today.

At this meeting the National Coal Board will emphasise its intention to invest in large-scale mining projects in the "peripheral" fields of South Wales, Scotland and North East England.

The dominant left wing on the NUM executive is thought to be prepared for "real" negotiations. Mr Peter Heathfield, the NUM general secretary, has for some weeks taken a more coociliatory line than Mr Scargill – though he continues to insist that the full closure programme is unacceptable.

The NUM is under increasing pressure from lack of funds. A meeting of its finance and general purposes committee in Sheffield yesterday, chaired by Mr Mick McGahey, the vice-president, In Mr Scargill's absence, heard that the Yorkshire area faced a bill for fines on its pickets of about £1m ($1.38m), and that all NUM areas were low on cash.

At the scene of Mr Scargill's arrest there had been a steady, concerted fusillade of stones thrown by the pickets, and police used riot shields to protect themselves.

Reinforcements, including mounted police, were brought up. The pickets ripped down a woodeo telegrapb pole from a nearby British Steel site and rolled it down towards the police line like a battering ram.

Sharp staves were jammed point upwards into the ground to prevent borses from leaping the fence. Po-

Continued on Page 18

Thatcher condemns mob rule; Coal board buys fuel, Page 7

UK food group in £232.5m bid for Booker McConnell

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT, IN LONDON

DEE Corporation, the British food distribution group formerly known as Linfood Holdings, last night launched a £232.5m ($322m) bid for Booker McConnell, whose interests include supermarkets and cash-and-carry wholesalers.

The merger, if successful, would create a retail supermarket group with more than 500 stores and almost 6 per ceot of the grocery market.

Booker McConnell said last night that it had received an "unsolicited bid" and would comment further after discussions with its financial advisers.

However, the deal could be referred to the Monopolies and Mergers Commission because of concern among food manofacturers about the growing coocentratioo in food retailing. Two merger deals involving Dee in recent years were referred to the Commission.

Under the terms of the Dee bid, which values Booker at £232.5m, Dee is offering three new ordinary shares and 400p of convertihle loan stock for every 10 ordinary Booker shares. In addition, it is offering 70p in cash for each £1 preference share in Booker.

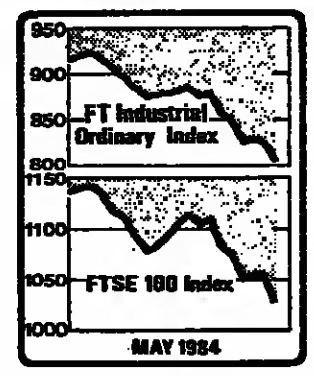
The bid came as no surprise to the City of Londoo because of the recent rapid rise in Booker's share price as a result of bid speculation. Even so, Booker's share price closed at 165p, up 36p on the day, while Dee's share price closed at 458p, down 24p. There was further speculation last night that a second bidder may yet emerge for Booker's retail assets.

The takeover attempt is the third major expansion hid by Dee in the past year. It reflects the aggressive policy of Mr Alec Monk, its chairman, to mount an effective challenge to the growing dominance of major chains such as Tesco, Asda, and J. Sainsbury.

Dee has about 342 supermarkets in Britain trading under the Gateway, Frank Dee, and Key Markets banners and an estimated 4.5 per cent of the grocery market, according to Mr Monk. It also operates a cash-and-carry division and six carrefour hypermarkets.

Dee's interim pre-tax profits for the first half of the last financial year were £9.24m on a turnover of £849m. Although it has yet to announce the preliminary results for the year ending 28 April 1984, Dee said last night that pre-tax profit would "not be less than £28m."

Continued on Page 18



Wall Street rally after setbacks in Europe

By Our Foreign and Financial Staff

STOCK prices staged a sharp retreat yesterday in most of the world's major financial centres as worries persisted over the course of interest rates and the impact on banks of the ioternational debt crisis.

The London market suffered its second largest daily fall on record as Tuesday's news of poor UK trade figures – worsened by the miners' strike and the Gulf war – further stifled demand.

The FT Industrial Ordinary index lost 22.8 to close at 803.4, nearly 13 per ceot below the record higb of 922.8 reached just over three weeks ago. The decline exceeded last Thursday's 21.2 fall, and has been surpassed only by a 24-point drop on March 1, 1974.

Wall Street share prices plunged in early trading but a rally developed later. The Dow Jones industrial average temporarily broke through the psychologically important 1,100 level and by 2pm was 12.02 off at 1,089.22 in fairly heavy trading. But soon afterwards, renewed buying returned it above its overnight level. By the close it stood 1.35 up on the day at 1,102.59.

Dealers cited nervousness about the impact of the ioternational debt crisis on U.S. mooey ceotre banks, concerns about the Mid-East, and general worries about higher interest rates for the initial sell-off.

The revival was attributed to rumours that Iran had begun discounting on oil sales.

Earlier in the trading day, Tokyo had fallen back as investors viewed Tuesday's Wall Street decline as yet another discouraging factor. The Nikkei-Dow market average lost 23 points to 10,140.97.

A sharp slide in share values was also seen in Frankfurt amid renewed coocern over the deepening rift between the two sides in the metalworkers' dispute.

Continued on Page 18

Lex, Page 18; Bourses 35

National Semi faces U.S. military ban

BY LOUISE KEHOE IN SAN FRANCISCO

THE U.S. Defence Logistics Agency, purchasing agent of the U.S. military, has proposed barring National Semiconductor as a supplier of military and aerospace parts. This is seen as the most severe action ever takeo by the agency against a military electronics supplier.

National Semiconductor, the third largest U.S. semiconductor devices manufacturer, said yesterday it has received a notice from the DLA giving the company a 30-day period in which to protest against the proposed ban.

The ban, if it becomes effective, could last for up to three years, said the DLA. Products that can only be obtained from National Semiconductor – about 20 per cent of the devices currently supplied by the company – would not be covered by the ban.

The DLA action stems from Natiooal's conviction in March on civil charges that it had falsely certified as fully-tested devices supplied to the military over a three-year period ending in mid-1981. Notional pleaded guilty to the charges and paid a total of $1.7m in fines and costs. A plea bargaining agreement specified that no further civil or criminal charges would be brought.

"Since the legal settlement, the DLA has been discussing an admioistrative settlement with the company to cover costs incurred by the DLA," said a DLA spokesman. "As part of these negotiatioos, the DLA has demanded that National identify corporate officers and employees responsible for the problem. These discussions have reached an impasse and so DLA has issued the notice to debar the company."

National is the second largest supplier of semiconductor devices to the U.S. military. Last year the company had military sales of about $90m, according to industry researchers.

"Military sales represent about 5 per cent of our business," said a Natiooal spokeswoman. National supplied 11.2m devices to be used by the U.S. Government last year, she said.

Industry analysts question how the military could replace National as a supplier at a time when all major U.S. semiconductor makers are productioo-capacity limited and there are severe shortages of several types of semiconductor products. The DLA declined to comment.

Amrep placed in official receivership

BY PAUL BETTS IN PARIS

AMREP, a leading French oil drilling services company, was yesterday placed in official receivership after being declared insolvent by the Paris commercial tribunal.

The company, which has losses and liabilities totalling about FFr 1.5bo ($178.6m) had sought protection from its creditors under a clause in French bankruptcy legislation to enable it to work out a rescue package.

But the Paris tribunal refused the company's request and placed the company into the hands of two receivers and a senior court official.

The Amrep bankruptcy coincides with streouous efforts to prevent Creusot-Loire, the French engineering group, being forced to file for bankruptcy.

But in the Creusot-Loire and Amrep cases, the French Government has so far indicated that it does not intend to intervene with financial aid.

Amrep's problems recently came to a head after the Bouygues constructions group decided to withdraw from an elaborate rescue plan for the oil services company.

The Bouyues decision came after an audit ot Amrep revealed far heavier losses than anticipated.

The French labour unions have further complicated Amrep's situation by demonstrating at the company's Cherbourg yards against the possible collapse of the company and job losses.

This, coupled with Amrep's financial troubles bas led to the cancellatioo of a cootract from Britisb Petroleum's Norwegian subsidiary for a production jacket.

But the French oil industry appears worried by the eventual liquidation of Amrep. M Michel Pecqueur, chairman of Elf-Aquitaine,

Continued on Page 18

Iraq oil contract, Page 18

CONTENTS

EUROPEAN ELECTION

Why a Socialist failure may mean success for Mitterrand

David Housego explains the French President's new optimism over next month's European poll

PRESIDENT Francois Mitterrand suspects that next month's European elections will cloud his domestic re-election prospects. But he also believes that the cloud may have a silver lining.

Although his popularity in the opinion polls is at a record low, the June elections are no longer expected to be a disaster for the Left, and may indeed prove to be a disappointment to the Right-wing opposition parties.

And even if the Socialist Party emerges much weaker from the elections, its leader could find himself in a stronger position. For a fragmented result, in which the minority parties took a substantial proportion of the vote and the major parties a bruising, would leave M Mitterrand much more free to develop a majority for his "social democrat" project, in time for the French parliamentary elections in 1986.

Latest opinion-polls suggest *that about 40 per cent of voters* are likely to abstain. As many as 20 per cent of those who do vote are expected to support protest movements like the extreme Right wing National Front or the new minority groups which reflect disenchantment with the major parties.

A further 14 per cent are likely to vote for the Communist Party, in itself a protest movement that has gathered strength as the party stepped up its criticism of Government policy.

In no other poll do French voters have the luxury of indulging their whims without fear of serious domestic consequences. The system of proportional voting used in France for the European elections encourages them to do so. But the number of abstainers and those opting for a protest or minority vote gives some idea of the bewilderment many face in providing a mid-term verdict on President Mitterrand's administration.

The hopes of the Right wing and centrist opposition parties that the elections would provide a resounding vote of censure have receded as their proportion of the vote has fallen in the opinion polls.

The danger now for Mme Simone Veil's joint RPR-UDF list is that it will gather only 40 to 45 per cent of the vote, which would be a personal humiliation for her.

This would mean that the opposition could only claim to be in a majority with the support of the National Front, which expects to pick up 7 per cent of the vote by campaigning on racist issues. M Jacques Chirac, Mayor of Paris and head of the RPR, has described M Le Pen, the Front's leader, as an exponent of "intolerance, demagoguery and hatred."

On the Left, Socialist support has been eroded by the about turn in President Mitterrand's economic and industrial policies and by many Left wing voters' incomprehension that under a Socialist administration unemployment could be rising to 3m. The Socialist share of the vote could drop to 23 per cent—thus narrowing the gap between Communists and Socialists in a way that prepares the ground for a fresh test of strength between the two coalition partners.

But the proliferation of minority parties seems to be damaging the oppositon more than the Government. The sudden sprouting of minority groups is not new in France; it was the combination of a mass of splinter movements and the absence of a strong executive that undermined the Fourth Republic.

This time, apart from M. Le Pen's National Front, the list of minority groups includes the ecologists, a Centre-Left group called ERE (Entente Radicale Ecologiste), the Useful List, the Workers Struggle group, the Eurodroite and the Europe Succeed group of Mme Francine Gomez, the head of Waterman pens.

M. Le Pen's campaign is eating into Mme Veil's support on the extreme Right, in part because she has always denounced his image of France as a country drowned by waves of *immigrants. In the centre,* the votes thet she might bave picked up from former Mitterrand voters are benefiting the minorities.

In spite of her high personal popularity, Mme Veil has lost support by being forced to take on to her list controversial figures like M. Robert Hersant, the Press proprietor, who *allegedly collaborated with* Nazis. She has failed to find a credible line of attack against M. Mitterrand that at the same time recognises that he is now following policies once advocated by the iRght.

And she has in the centrist UDF a demoralised partner, resentful of the domination of M Chirac's neo-Gaullist RPR and divided by its own internal squabbles over whether M Giscard d'Estaing, the former President or M Raymond Barre, the *former Prime Minister* should be its leader.

The major mobilising factor for the opposition is its hostility to the Government's new private education law. But as opposition leaders sadly concede, it is unlucky for them that the Catholic schools lobby has planned its 1m-strong march through Paris for the weekend *after* the European elections.

Should Mme Veil's list do much better than now expected, this would be the occasion for a major challenge to the Government. M Pierre Meuroy, the Prime Minister, has already accused M Chirac *of* Bonapartist ambitions to bring down the Government.

On the Left, a Communist recovery would be the occasion for fresh pressure on the Government to change its economic policies. This would come at a moment when crucial decisions have to be taken on the *shape* of the 1985 Budget and when a Cabinet reshuffle is likely as President Mitterrand replaces M Mauroy.

There are two good reasons *for thinking that M Mitterrand* will hold firm against the Communists. The first is that if France is to limit the size of its overall debt, there is little choice except to pursue current restrictive policies. The second reason is that M Mitterrand's "social democrat" project, the basis for the Left's renewed assault on the Presidency in 1988, has no place for the archaic Marxism of the Communist party.

BRITAIN'S Labour Party claimed yesterday that the Government is planning to impose VAT on basic food, writes Kevin Brown. Peering over a huge pile of cauliflowers, potatoes and a *family-sized* joint of beer, party leaders said the Tories' "strong voice in Europe" was limited to a vigorous defence of big food producers.

The vegetable display, inappropriately piled up for television cameras at the Royal Commonwealth Hall in London, was intended to dramatise the costly effect of the CAP on the traditional British Sunday lunch.

Mr Neil Kinnock, the Labour leader, accused the Government of deliberately putting up food prices by as much as 18 per cent by manipulating the "green pound"

The introduction in the last Budget of 15 per cent VAT on *hot takeaway food* was the first step to a tax on *all* basic foods, he claimed. "Hong Kong is now the only Chinese takeaway without VAT," he observed.

Mrs Barbara Castle (above), leader of the Labour group in the European Parliament, predicted VAT on newspapers and books as well. She claimed to detect the breakdown of the consensus that no government should tax food, knowledge or "the roof over your head."

Violence erupts in Greece

BY ANDRIANA IERODIACONOU IN ATHENS

"COMING TO the New Democracy rally in Salonika on Saturday? There's going to be a big punch-up," one Greek was heard saying to a friend in a central Athens cafe yesterday. He was referring to a political gathering by Greece's Conservative opposition party.

The conversation was indicative of the atmosphere of political tension and violence which is building up around the election in Greece. It has developed into an all-out confrontation between Pasok, the governing Socialist party, and New Democracy.

This confrontation is becoming increasingly physical, as Tuesday night showed. In Salonika, Pasok and New Democracy supporters clashed for several hous for poster territory in the city streets

As with a rash of similar episodes — many of them bloody — reported around Greece in recent weeks, the Socialists and Conservatives blamed each other.

On the same night in Athens, police dispersed New Democracy supporters and MPs staging an open-air political slideshow at a main intersection.

NOTTINGHAMSHIRE: SHAKEN BY THE STRIKE

Labour's support from miners comes under severe strain

IF ONLY because of the huge number of police deployed at roadside checkpoints, it is almost impossible in Nottinghamshire to get away from the mineworkers' dispute.

The issue looks certain to dominate the European election campaign in the county over the next two weeks. Attention will focus on the views and likely voting behaviour of 34,000 local miners end their families.

In all three main political camps, the speculation is whether the Labour Party will be punished by those miners who remain at work—the vast majority—for its identification with the strikers.

If so, the result would be the final blow to the already-weakened traditional partnership of Labour and the miners in the country. It would consolidata the *new-found* strength of the Conservatives in Nottinghamshire and would give the SDP-Liberal alliance hope of a breakthrough.

Tha alarm bells started to ring for Labour at the general election last year, when the party won only one of the eight Westminster constituencies which make up the re-drawn Nottinghamshire Euro-seat.

The biggest upset was the loss to the Conservatives of Sherwood, a division containing 13 collieries and little else but pit communities. This reverse, like others, was put down to the changed values of the new breed of mineworker: the owner-occupier earning good money through bonuses, holidaying abroad and changing bis new car every two years.

Requiring a hefty swing from the Tories of 8.9 per cent (based on the 1983 results) to take the Nottinghamshire seat, Labour now faces the task of winning back such miners, who mostly are defying their union's strike call—precisely what Mr Roy Hattersley, the party's deputy leader, said he would not do in their shoes.

The remark is well remembered in these parts. So, too, is Labour's appeal to party members to give 50p a week to help the strikers. In retaliation, about 4,000 working miners have taken steps to contract out of the political levy to the party.

Mr Peter Dean, a Labour councillor at Mansfield and one of the 140 strikers among the 1,100 workers at Mansfield colliery, said: "There were 300 at the last union meeting: we used to get 15 or so. I told them the levy wasn't going to the strikers but was to help get Labour MPs elected. They just turned round and said 'But we don't want *Labour MPs!*'"

Lebour might suffer further damage as a result of the defection to the SDP last December of the MEP for the present Nottinghamshire seat, Mr Michael Gallagher, who says he was "too pro-Europe for the revolutionary Left" and who stands for the alliance in Lancashire Central this time.

> The alarm bells started to ring for Labour at the general election last year, when the party won only one of the eight Westminster constituencies.

On the other hand, there was no evidence of crumbling Labour support in a recent decisive Nottingham City Council by-election at Bulwell West, where the party tripled its majority in retaining control of the authority.

Furthermore, Labour does retain the backing of such loyalists as Mr Terry Richardson, secretary of Sherwood Labour Party and a miner at Bilsthorpe Colliery, who has been at work since the start of the dispute. Fewer than 20 Bilsthorpe men, up to last week, had sought to withhold the political levy, he said. He did not think Labour's support would be much affected by the strike issue.

Such is the hope of Mr Ken Coates, the prominent left-wing Labour candidate who started his working life in the Nottinghamshire mines, who believes that both strikers and non-strikers are right in their own ways, but who states firmly that he would be on the picket line if he were a pitman today.

"It breaks my heart to see the division that there is," he told an election meeting at Mansfield. "But I can see no other way for the union than to try to win. If it is defeated, everybody is defeated, whether they hava joined the struggle or not."

Mr Coates has edapted bis anti-EEC stance to argue for "new and relevant internationalism," within and beyond the community, on what he sees as the interwoven issues of economic recovery and nuclear *disarmament.* An adult education tutor, author and socialist theorist, he has been associated with the Bertrand Russell Peace Foundation since 1965 and was a founder of the European Nuclear Disarmament movement.

His solution to the long-term problem of Britain's surplus coal capacity is to give the elderly and benefit claimants the equivalent of 1 cwt each week.

This is not at all the view of Mr Michael Kilby, the Conservative candidate. He tells Nottinghamshire miners that their industry must accept pit closures as a harsh economic fact of life, must become competitive in world markets and must not cloud the issue with social or political considerations.

Mr Kilby, a former General Motors executive and a passionate European, thinks the mining communities should turn out to vote against Labour, in protest at the "dictatorship" of *the mineworkers'* union.

The alliance candidate, Mr Keith Melton, thinks so, too. At a campaign meeting at Hucknall last week, he ventured that Labour would finish third in the contest. The next day he met leaders of the Nottinghamshire Working Miners' Committee and emerged looking almost convinced of it.

Mr Melton, a lecturer and leading local Liberal, believes thet Government engineered the coal dispute and has reservations about the policing of it. Were he a miner, however, he would be at work with Mr Kilby and not on strike with Mr Coates.

David Brindle

LIEGE: THE KEY TO WINNING WALLONIA

Seven parties compete amid acute economic stress

TRAVEL east along the motorway from Brussels to Liège and you see the name Philippe Monfils on poster after poster, above and alongside the road.

The Liberal deputy from Liège is engaged in the same fight for recognition as 76 other aspirants for the 11 European *Parliament* seats allotted to the French-speaking electoral college in Belgium.

Seven parties are vying with each other. Each presents a list to the voter, who chooses either the list or a name on it. To succeed, a candidate has to pick up votes across the whole of Wallonia—southern Belgium—but *he* or *she mainly must* win votes in Liège. It is the biggest town in the region, the industrial mainspring.

It is also where Belgian economic stress is acute as the steel industry is run down, and where the muncipal finances ran out last year. Both phenomena have led to strikes and demonstrations.

Changes at Cockerill Sambre, the state steel producer, are under the general supervision of the European Commission. But, noted Mrs *Pierrette Cahay,* a Social Christian candidate and mayor of Visé, "people know very little about how Europe works—there's just the impression that it costs a lot."

"The European dimension of the Cockerill Sambre business (9,000 jobs are being lost in the group and plants closed) isn't *understood, except by militants,*" said Mr Hubert Rademecher, secretary of the Socialist Federation of Liège.

"The issue is seen as a Belgian Government affair," remarked Mr Philippe Monfils.

These comments on steel, the national future of which has dominated recent Belgian politics, point up two factors.

First, people of Liège do not have to think of Europe as such. They take it for granted—hardly surprising for a town which is hard by the German and Dutch frontiers and is culturally drawn to France.

At the intellectual level, this in turn means that there is no future independence of Europe for Belgium. The campaign literature of the main parties spells that out.

Second, the indifference at the street level reinforces the notion that the poll on June 17 is less an election for the European Parliament and more a test of the standing of the Belgian Government. This will be its first big test since the general election of November 1981.

The parties accept that—indeed, there was an ebortive movement in Government *circles this year to persuade Mr* Wilfried Martens, the Prime Minister, to hold a general election on June 17 as well.

> People of Liège take Europe for granted—hardly surprising for a town which is hard by the German and Dutch frontiers and is culturally drawn to France.

The practical effect is that the parties are campaigning on their domestic platforms with a few European ribbons tied around the edge. In Liège this will mean, as the campaign moves into a somewhat sluggish *top gear over the next three* weeks, undertakings by the candidates to work for the movement of new funds into the area to help industrial regeneration.

But likely performance at Strasbourg will be of less importance in settling voting patterns than how the people of Lèige judge the effect on their commerce and livelihood of industrial tension. Also weighing on their minds are a decline of traditional occupations and efforts, none too successful, to create new employment.

This is a national problem, and political activists in the city detect no big shift in opinion since the 1981 general election produced a coalition of Christian Democrats (the Social Christians in Wallonia) and Liberals, with the Socialists in opposition.

Of the 11 seats in the French-speaking electoral college, three are held by the Social Christians, two by the Liberals, four by the Socialists and two by a local Walloon party created to defend interests of French speakers in a traditionally disputatious, bilingual country.

Even so, Liège is central in the Belgian socialist tradition. But the Socialists have been powerless to change the policies of the Martens Government, which is geared to increase corporate competitiveness, cut public spending and to keep wages under control.

However, these are the policies which the Liberals claim to hava pushed the Government into adopting and which are *bearing fruit.*

The Social Christians, despite their place in the national coalition, run the danger of being squeezed in the middle between the *Socialists* and the *Liberals,* as the latter seek the centre ground.

So the main battle in Liège, a cockpit of Belgian politics, is between the Liberals and the Socialists.

The Socialists are seeking to strengthen their position by playing the card of Walloon chauvinism which, in the code of the party manifesto comes ont as a "Europe of the regions."

In the language of Belgian politics, this means defence of the French speaker against "Flemish aggression," felt especially in Flemish resistance to bailing out Cockerill Sambre.

On the Socialist list, therefore, is the name of Mr José Happart. He is the mayor of Fourons, a French speaker in a Flemish area near Liège, at loggerheads with the provincial authorities. He is the current symbol of Walloon rights, but be is not a Socialist.

The edge of inter-communal rivalry, in an area where there is continual dabate about Walloon separatism, has entered the European election. "If, with Happart, we get the same number of votes as five years ago, we will have lost," seid Mr Rademacher.

Paul Cheeseright

EUROPEAN NEWS

Hungary debt service facilitated by surplus

BY LESLIE COLITT IN BERLIN

HUNGARY HAD a current account surplus of $120m (£87m) in the first quarter of the year and will be able to meet its debt servicing and repayment obligations, according to Mr Ferenc Havasi, the Hungarian Politburo member responsible for economic affairs.

The Hungarian Government aims to achieve a minimum surplus of $400m on its external current account this year, compared with only $300m last year. About $1.4bn in Hungarian debts are due for repayment this year.

Mr Havasi said industrial production had risen by 4 per cent in the first quarter, compared with a target of 1.5 to 2 per cent. The statistical office had said industrial production rose by 3.2 per cent in the first three months, compared with the equivalent period last year.

Harvest prospects had improved, he noted because of the heavy rainfall which this month ended an extended drought. A drop in crop production last year affected Hungary's food exports to the west, which are an important hard currency earner.

Mr Havasi said the current curb on investments could not last for long. In the first quarter of the year there was a 39 per cent fall in hard currency expenditures on machinery imports from the West.

Answering questions from listeners on Radio Budapest, he said that, from next January, there would be a shift in "ownership rights" from the industrial ministries to companies.

New measures to introduce a large degree of self-management in companies will provide for supervisory "company councils"—consisting of elected workers' representatives, management, Communist Party and trade union officials. They are to decide such "strategic questions" as investments, wages and prices, and will exercise ownership rights. These have not yet been clearly defined.

In smaller comapines, employees will be able to elect *their own directors.*

Poland's Minister for Engineering Industry, Mr Edward Lukasz, whose department has come under official fire for low exports to the West, was sacked yesterday, Reuter reports from Warsaw. Also dismissed was Mr Stanislaw Closek, as Minister for Labour, Wages and Social Services. Senior officials have criticised recent wage settlements as undermining government *efforts to cut inflation.*

Non-aligned seek new dialogue

By Rupert Cornwell in Bonn

THE NON-ALIGNED movement of Third World countries is urgently seeking to draw the industrialised states into a revived North-South dialogue, so as to seek more lasting solutions to the financial problems of developing nations.

The movement, which includes more than 100 countries, has chosen the approach to the seven - nation industrialised nations' *summit* week to launch its initiative.

A senior personal envoy of Mrs Indira Gandhi, the Indian Prime Minister, has been touring EEC capitals and Washington, in the hope of ensuring that the issue is at least examined during the summit in London. India holds the chair of the non-aligned movement.

The ideal outcome—but one which is most unlikely to be achieved—would be for the seven participants to allow preparations which would culminate *in another North-South* conference.

Soundings so far seem to have elicited e broadly sympathetic hearing in the various *capitals. But there is little* chance that time for a considered study of the proposal will be available in London, where the debt crisis is likely to bold *centre stage.*

Thousands turn out for Catalan leader

BY TOM BURNS IN BARCELONA

THE CATALAN nationalist leader, Sr Jordi Pujol, was yesterday assured of endorsement as president of Catalonia's home-rule government by the region's parliament here, as tens of thousands gathered outside the building in a demonstration, against the Madrid Government.

They were protesting against a decision last week by the Attorney General to charge Sr Pujol and 24 former associates of the Banca Catalana with embezzlement and fraud. The charges have rallied overwhelming Catalan support behind Sr Pujol, and prompted a serious confrontation between the Socialist Government in Madrid and nationalist-dominated Catalonia.

Sr Pujol's Convergencia i Unio party won an outright victory in Catalonia's *elections* last month, gaining 72 seats in the 135-member parliament. Yesterday, his candidacy was also backed at a special session of the assembly by the minority nationalist party, Esquerra Republicana, and by Coalicion Popular, the Madrid-based Conservative party. Together they total a further 16 votes in the parliament.

His candidacy was opposed by a 41-member strong Socialist party in the Catalan parliament and by the six Communist representatives.

In the meantime crowds began gathering outside the parliament building in what was billed as a huge peaceful show of support for Sr Pujol. The demonstration was officially termed as spontaneous. Sr Pujol's party has stood aside as neighbourhood groups, trade associations, cultural societies, sports clubs and others bave called on their members to show their support for the Catalan feader.

The fraud cherges refer to a Pta 20bn (£94m) that was allegedly missing from Banca Catalana's deposits in the 1970s. The bank was founded by Sr Pujol in 1958 and crashed in 1982. He resigned as chairman in 1977 to devote *himself to* politics.

Catalan public opinion bas clearly been polarised by the charges. These are perceived as having been engineered by the Socialist Government in order to discredit Sr Pujol and Catalan nationalism and to avenge the defeat suffered in last month'e local elections.

Soviet scorn poured on D-Day landings

MOSCOW — The Soviet Press yesterday attacked planned western celebrations of the 1944 allied landings in Normandy, *and said the invasion was of far* less importance than the fighting on the Russian front.

Two commentaries on D-Day also charged that western *leaders had delayed the offensive* so that Germany could inflict maximum damage on Soviet forces, and staged the landings only when they feared the USSR might beat Nazi Germany single-handed.

The articles were the latest shots in a growing Soviet media campaign against the anniversary celebrations, *which* has belittled the value of D-Day and suggested that western troops had a relatively easy fight against the Germans.

Leaders of the nations involved in the June 6, 1944, Invasion—including President Ronald Reagan of the U.S., Queen Elizabeth II of Britain and President François Mitterrand of France—will take part in a commemoration on the Normandy beaches next week.

The Soviet weekly, Literaturnaya Gazeta, yesterday branded the event an "American show" designed to give the impression that the U.S. saved Europe from the Nazis and was now protecting it from the *Communists.*

The article said Western leaders were trying to portray D-day es the crucial turning point in World War Two and to cover up the much more significant role played by Soviet troops.

The official news agency, Tass, quoted a military historian as saying the allies had beld up the opening of the "second front" for two-and-e-half years so that Mosrow would bear the brunt of the fighting.

"But, in 1944, it became clear to the ruling circles of the U.S. and England (sic) that the USSR was in a position to defeat the fascist German forces by itself and liberate the nations of Europe."

Other recent articles have also charged that the allied leaders finally acted for two reasons: to prevent Soviet *troops from sweeping into* western Europe and to ensure themselves a share in the spoils of a defeated Germany.

The historian said the west exaggerated *not* only the importance of the Normandy invasion but also that of the fighting which followed.

"In scale, size and *achievement,* the *military* actions of the allies in France in summer 1944 bear absolutely no comparison with the offensive of the Soviet forces," be wrote.

Reuter

EEC envoy in Turkey 'recalled'

ANKARA — Mr Gwyn Morgan, the European Community representative here, is being temporarily withdrawn from Turkey after an incident in which he was threatened with a gun, sources close to the European Commission said today.

The sources, contacted in Brussels by telephone, said an unidentified man followed Mr Morgan as he was driving through Ankara three days ago. The man threatened the envoy with a firearm before driving away.

Mr Morgan, a former senior British Labour Party official, had asked Turkish authorities for a security guard several weeks ago, to counter any Libyan threats to Britons working abroad following the Libyan embassy siege in London and the break of diplomatic relations between Libya and the UK. The request had not been met, they said.

He was being recalled yesterday for a few weeks while the commission investigated the incident more closely, the sources said.

Reuter

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Both sides count cost of strikes in West Germany

BY JOHN DAVIES IN FRANKFURT

THE LABOUR conflict engulfing West Germany's metal industries has entered a new and crucial phase, with rapidly mounting costs for both sides.

Dozens of factories, including virtually the entire motor vehicle industry, have come to a standstill, with workers either on strike, locked out or laid off for want of crucial supplies.

With unionists and employers retreating from their brief and hapless encounter at Ludwigsburg, near Stuttgart, the conflict can widen as both sides resort to further use of muscle.

The lock-out of more than 26,000 workers in the state of Hessen yesterday was planned before the talks broke down, but could harden the resolve of the metalworkers' union, IG Metall, and its supporters among other West German unions.

The dispute, over controversial demands for a cut in the working week from 40 to 35 hours, has been moving ahead inexorably for months, stage by stage, dragging its participants along almost against their will.

After brief "warning strikes" earlier this year, IG Metall took the crucial step on May 14 of calling out 13,000 workers on strike at key factories making components for vehicle manufacturers.

Within days, BMW and Daimler-Benz halted their assembly lines as the flow of components dried up. Output has steadily been disrupted or halted at Porsche, Audi, MAN and Opel. Now Volkswagen, too, has sent 100,000 workers home, although on compulsory but paid holiday leave.

Because of the vicious circle of strikes, retaliatory lock-outs and lay-offs, there are now about 58,000 workers on strike, more than 90,000 locked out and perhaps a quarter of a million others idle.

Outside the car industry, the dispute has hit—among others—the Triumph Adler electronic typewriter factory in Frankfurt, the Hanau plant of Brown Boveri, the Swiss-based electrical concern, and the Frankfurt works of Siemens, the computer and electronics group.

Even before the lock-outs yesterday, Dr Dieter Kirchner, the tough-talking head of Gesamtmetall, the employers' association, estimated the loss of production at DM 250m (£66m) a day.

The state apparatus has been losing out, too, forfeiting DM 28m a day in taxes, and DM 15m in social security contributions, according to Dr Kirchner's reckoning.

Herr Eberhard von Kuenheim, the head of BMW, says his company is losing more than DM 50m a day in sales revenue, while Daimler-Benz is missing out on about DM 120m a day.

Herr von Kuenheim says that, at this rate, the dispute could knock half a percentage point off this year's expected growth rate of 2.5 to 3 per cent in gross national product. Loss of car exports could also halve the predicted DM 10bn balance of payments surplus.

Companies have been facing the dispute so far with surprising composure. This is partly because many are in a stronger financial position than for some time and partly because there is a widespread feeling that shorter hours would undermine competitiveness.

IG Metall, the country's biggest union with 2.5m members, is coming under pressure, both financial and psychological, as the dispute drags on, but believes it still has considerable staying power. It is a rich union and its treasure chest built up from members' contributions has been variously estimated at DM 1bn-DM 1.5bn.

At present, the union is estimated to be paying out roughly DM 70m a week

The outcome of the dispute will depend on how both sides withstand the struggle in the crucial period ahead.

The employers made a step towards a deal in the latest talks, by offering to bring in a 38 hour week in stages for shift workers and night workers. The union brushed this aside, claiming it would benefit only 14 per cent of members and do little to create new jobs.

But IG Metall, privately, has long since given up hopes of a 35 hour week for all members and is in fact seeking a cut in working hours for as many members as possible.

Herr Hans Mayr, the veteran official who took over as union president late last year, is pressing the battle as long as possible to the point when he can negotiate the best deal.

The employers, in particular large companies, are willing to give some ground, but want more flexibility in working methods

The power struggle is not yet played out; the point of compromise has not quite arrived.

Luxembourg satellite TV scheme opposed as 'anti-European'

BY DAVID MARSH IN PARIS

LUXEMBOURG'S newly-announced plan for a European satellite TV distribution company, backed by U.S. interests, faces the combined opposition of every other postal and telecommunications administration (PTTs) in Europe. It also risks commercial failure, even if it manages to begin operations.

That was the uncompromising message yesterday from Sig Andrea Caruso, secretary-general of Eutelsat, the 20-nation organisation owned by the main European PTTs, based in Paris and set up to handle public European telecommunications and TV distribution from space.

Sig Caruso, a veteran civil servant from the Italian PTT, said the Luxembourg GDL project, to be run by a U.S.-backed company called Coronet, was an "anti-European initiative."

It would result in "ruinous" competition with Eutelsat's own operating and planned satellites, because "one more system is just too much." Claiming that Luxembourg's satellite could not make a profit during its first seven years of operation, Sig Caruso said: "I still think that it will not materialise. I have serious doubts whether the GDL group will find the enormous amounts of money needed."

The Luxembourg private enterprise satellite plan was announced on Friday after several months of talks.

It has also run into strong opposition from the French Government, which fears it would compete with France's TDF-1, direct broadcasting satellite, due to be launched in late 1985.

M Louis Mexandeau, the French PTT Minister, yesterday said France would not allow Luxembourg's "Coca - Cola satellites to attack our artistic and cultural integrity."

The West German Government also has reservations. Herr Helmut Kohl, the German Chancellor, said on Tuesday, after talks here with President François Mitterrand, that he was "surprised" by the Luxembourg announcement. He added pointedly that the project would have to be "carefully examined" in talks with Luxembourg.

Coronet aims to use two medium-power, U.S. TV satellites, already under construction, to distribute pictures to cable networks and homes equipped with dish aerials from 1986 onwards.

Sig Caruso admitted that no "international police" existed to stop such ventures. But he said the project appeared to be in conflict with at least three international telecommunications treaties and conventions ratified by Luxembourg.

ARIANESPACE, the semi-private company set up to commercialise space launches by the European Ariane rocket, has hit back at a charge of unfair prices lodged by Transpace, the U.S. space company, which markets the Thor Delta rocket, David Marsh reports from Paris.

Transpace's petition, filed with the office of the U.S. Trade Representative, "misses the real target," Arianespace said. The main problem was "the pricing policy followed by Nasa (the U.S. space agency) for the use of the space shuttle."

Commission lowers EEC steel quotas

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission plans to lower markedly the production quotas given to EEC steel producers for the third quarter.

The decision, taken yesterday by the 14 commissioners at their weekly meeting, comes despite a hardening of prices and a firming of demand from consumers over recent months. But the Commission indicated it would be prepared to change its decision towards the end of June, depending on the state of the market.

The lowering of the quotas will be opposed by the steel consumer groups which regularly meet the Commission. They have been arguing since the end of the winter for more relaxed quotas and have complained of their inability to fulfil orders because of stoppages.

The market has generally been firmer in the UK than in Continental Europe, reflecting the different speeds of economic recovery among the Ten. The level of quotas has been pitched at or beneath the level obtaining for the first quarter. Quotas were raised for this quarter.

Factors weighing on the Commission's decision include the fragile nature of the recovery in demand and fears that previous experience when the market swung down in the third quarter may be repeated.

Prices have risen by up to 10 per cent since the 1983 second quarter

EEC PRODUCTION QUOTAS
(by quarter, '000 tonnes)

	4/1983	1/1984	2/1984	3/1984
Hot rolled coils	5,125	4,070	4,213	3,784
Hot cold rolled sheet	3,765	3,520	3,687	3,352
Galvanised sheet	918	852	905	352
Other coated flat products	830	757	814	688
Reversing mill plate	1,279	1,134	1,179	1,134
Wide beams, sections	1,334	1,176	1,176	1,014
Wire rods	2,641	2,485	2,753	2,485
Reinforcing bars	2,172	1,836	1,836	1,646
Merchant bars	2,326	2,176	2,212	2,034

Swiss curb sales of property

By John Wicks in Zurich

THE SWISS Government has put a ceiling of 2,000 on the number of permits in each of the next two years for foreigners to buy holiday apartments and units in apartment hotels.

Its action follows the narrow rejection in a referendum this month of measures which would have made it almost impossible for foreigners to buy non-commercial property in Switzerland.

The new law, which will come into force on January 1, says permits should be kept "at the most" to two-thirds of the yearly average for the past five years.

This would mean a maximum for 1985 and 1986 of about 2,150. However, the Federal Council (cabinet) has decided to set the ceiling at no more than 2,000.

The limits for 1985 and 1986 are worked out on a cantonal basis, with the majority of permits going to resort regions such as the Valais, the Grisons, the Ticino and Vaud. No permits will be granted for the cantons of Zurich, Geneva and urban Basle.

Greek business plans rally in Athens against official policy

BY ANDRIANA IERODIACONOU IN ATHENS

GREEK BUSINESS people planning to stage a mass rally in central Athens tonight against what they see as government persecution of the private sector, have been accused by the economy and commerce ministers of serving party political interests.

The rally, which will bring to a pitch smouldering tensions between Greek business and the 2½-year-old Socialist Government, is being organised by the Federation of Greek Industries and by professional associations representing the entire private sector, except farming.

The meeting will be held in Kolokotroni Square, in the heart of the business area. Its organisers say they hope it will kick off an unprecedented business revolt, to curb what they see as a creeping expansion of the public sector in Greece into private sector preserves.

According to a statement yesterday by the Association of Greek Chambers of Commerce and Industry "private business is being driven towards extinction," to the detriment of the national economy. The rally's organisers said this will also be the gist of a resolution to be passed at the meeting.

Mr Gerassimos Arsenis, the Economy and Finance Minister, stated the rally was "clearly political. I have no idea whom it represents." Mr Vassilis Kedikoglou, the Commerce Minister, attributed the rally to reaction against "measures taken by the Government against wrong practices in business."

Mr Kedikoglou has been a focus of private sector resentment in Greece for the past months. The business community has reacted strongly to a Commerce Ministry Bill to establish a state import and export trading agency, and to impose strict ceilings on profit margins. A stormy protest meeting in Athens led the Government to scrap the profit control sections of the Bill.

Recent new regulations to abolish a secondary wholesaler system in the Greek provinces, and to limit the ability to increase prices on stocks of goods, have also been bones of contention.

Industrialists, for their part list a litany of complaints, ranging from price controls to the Government's handling of such cases as the Heracles Cement Company fraud prosecution

OVERSEAS NEWS

Kuwait 'has contingency oil transport strategy'

By Mary Frings in Bahrain

KUWAIT has contingency plans for exporting its oil if foreign tankers decline to pick up cargoes, according to the Kuwait Oil Tanker's Company (KOTC).

Only three of company's own fleet of 21 vessels are crude carriers, including the 270,000 dwt vlcc Kazimah, now due to sail for north-west Europe. There are also 14 product carriers, four liquefied petroleum gas tankers and one mixed crude/product carrier.

Although Kuwait now exports more than half its oil output in the form of products, mainly carried by the Oil Tanker's Company it relies heavily on foreign vessels for movemeot of crude.

Dr Abdut Fatah Al Badr, the compaoy's chairman, has stated that the company's vessels are sailing normally from Kuwait in accordinace with their contracts. This would mean an average of 14 lifting a month. Meanwhile, Captaio Stafford, the shipping operations manager, said yesterday that there was no overstocking and the decline in foreign tanker liftings is oot yet serious enough to cause concero.

Only one loaded KOTC tankers, the Umm Al Casbah, has been hit on its way down the Gulf. Captain Stafford confirmed that the damage had been minor and that the ship was continuing its voyage to Liverpool. KOTC has contracts for the delivery of fuel oil to terminals at Tranmere and at Shellhaven in the Tbames estuary.

The other KOTC tanker attacked, the Al Bahrah, was in ballast, and is now docked at Kuwait's Shuwaikh port.

No attacks on Gulf shipping have beeo reported for almost a week.

Limited Iranian thrust is likely

BY RICHARD JOHNS IN LONDON

IRAN MAY confound the general expectation that it will launch a major ground offensive against Iraq at the end of this week to coincide with the start of the Islamic fast of Ramadan, Western diplomats and analysts say.

Its prime military objective in seeking the overthrow of President Saddam Hussein's regime must still be to cut off Basrah from the rest of Iraq but climatic conditions and the state of the terrain in the south would both induce caution, diplomats believe.

The marshes north-west of the port of Basrah at the head of the Gulf are more heavily under water than is usual at this time of the year because of unseasonably heavy rains in the spring and Iraq's success in flooding the area around the Majnoun oil field. This was taken by the Iranians in February.

At the same time, the mid-summer beat could make fighting an offensive very difficult, particularly for armoured units, even for highly motivated troops like the Iranians, fired by religious zeal at the start of Ramadan.

The fast, and the evidence from U.S. satellites of a massive build-up and logistical preparations may mean that some kind of limited thrust is made, perhaps in the central sector.

In Teheran, however, the feeling is that lor the indefinite future Iran only has the resources for one grand offensive with any chance of breaking the well-fortified Iraqi lines.

The failure of "human wave" tactics used in the last major attack in February, involving mostly Revolutionary Guards and other suicide units, to gain much ground would in itself have made the military command cautious.

The expected follow-up by regular armed forces, while weather conditions were suitable, never materialised.

The military establishment is believed to be pleading with Ayatollah Khomeini and the clerical leadership that Iran does not have the weaponry to confront Iraq, with its massive superiority in aircraft and armour. Iran cannot risk further depleting its resources without certainty of success, the military is believed to argue.

According to well-informed Iranian exiles, more than 100 officers were retired early about two months ago after they had sent a letter to Ayatollah Khomeini saying that, while the armed forces were fully committed to his objectives, they needed new weaponry before fighting the "final battle."

Even if Iran could find a satisfactory source of supply, it would take at least six months to integrate equipment of the sophistication and amount required, they said.

Chris Sherwell reports on wily ways of finding foreign exchange

Manila's black market breaks free

ADAPTABLE businessmen in the Philippioes have grown increasingly sophisticated in their use of the local black market to beat the country's foreign exchange drought. To their surprise, they have found the Government a willing accomplice.

In deciding what imports of raw materials and spare parts to allow, the authorities have turned a blind eye to the source of the foreign currency and even allowed businesses to charge the cost of foreign exchange in their books at black market rates.

Fears are growing, however, for the consequences of a possible third devaluation of the peso in a year. This is sought by the Interoational Monetary Fund as part of a rescue package to deal with the country's $23.6bn debt crisis, bot President Ferdinand Marcos has been resisting it.

A year ago the peso stood at nine to the dollar, with the black-market rate some 10 per cent higher. After two adjustments, it oow stands officially at 14, but the black-market rate has oscillated betweeo 16 and 24.

Last October, wheo the Government called a moratorium oo its debts the central bank asked all banks to hand in their dollars and promised to allocate foreign exchange on a priority basis.

Had tbat happened, hundreds of companies dependent on imports would have gone to the wall because most of the dollars available were consumed by debt interest payments, the cost of oil imports and the rebuilding of depleted reserves.

Instead, businessmen found after some discreet investigation that they could obtain dollars from some banks simply by paying a premium. This, and the long-established black market became the keys to survival—as the Government undoubtedly realised.

Soon after that for several weeks some black marketeers offered dollars at a dependable rate of around 17 pesos—lower than the going black market rate.

They understood that they would be assured of a regular supply of dollars to keep them in business at the lower rate but that if they didn't charge this rate they faced closure. Most black marketeers complied.

The result of this was a signal to the IMF that the peso was not as weak as the Fund thought, aod to keep the factories open. But it dido't last.

Two things happened:

- There were too few dollars available in the country to keep up the regular supply to the black marketeers and the rate went up again to 20 pesos to the dollar.
- The cost of borrowing pesos to exchange for dollars trebled to an interest rate of 30 per cent following the liquidity squeeze at the banks ordered under IMF austerity measures.

It is still possible to procure hundreds of thousands of dollars in exchange for several million pesos, at a recent rate of 22.50, but many businessmen who have been passing their dollar costs oo to tbeir customers are now worried. Witb the rate of inflation now at 40 per cent there is a risk that demand will dry up if they try to contioue the process after any further devaluation.

The alternative is to bear some losses. In keeping their markets alive, the businessmeo argue, they can at least generate the cash needed to service their peso debts and survive.

If there is a third devaluation, the hope is that dollars would actually be available at the new rate. That depends on Filipino holders of dollars abroad being attracted by the new rate, and a revival of foreign confidence.

If the rate cannot be held and some economists believe that a geouine rate would be between 25 and 30 pesos to the dollar, the black market will again offer a premium, and the downward spiral will continue.

President Marcos . . . resisting devaluation

Senior Israeli officer 'cited in hijack report'

TEL AVIV—A senior memoer of Israel's military commaod is among several officers who may face prosecution following ao official inquiry loto the deaths of two captured Palestinian hijackers, political sources said yesterday.

A summary of the inquiry's report, released on Monday, said two of four Palestinians who hijacked a bus last month were captured alive aod died from blows to the back of the head with blunt instruments. The other two and a 19-year-old Israeli girl were shot dead when troops stormed the bus.

The summary did not say who was responsible for killing the two captured guerrillas, and said only that some security personnel would be disciplined. Another investigation would be cooducted to decide on possible legal action.

The politcial sources, who had seen the full report, said those oamed included one of Israel's highest-ranking officers.

The Defence Minister Moshe Arens told state television oo Monday night the report named people suspected of killing the guerrillas but that he and Chief of Staff Moshe Levy had beeo cleared of responsibility.

"Neither the Chief of Staff nor I was at the site when what happeoed bappened. Neither the chief of staff nor I knew that it bad happened," he said.

But ao Israeli oewspaper yesterday published previously censored photographs, one showing Mr Arens near the bus and the next on the roll showing one of the guerrillas being led away, apparently unhurt.

Mr Alex Libek, the photographer, said the pictures had been taken seconds apart and added that it was incooceivable that Mr Arens had not seen the guerrilla being token away.

Oppooents of Prime Minister Yitzhak Shamir's government have criticised his handling of the official inquiry while government supporters and some individual Israelis voiced doubts over whether the inquiry was necessary.

Some said the actual hijacking had been overshadowed by the inquiry commission.

"No army is so strict with itself on purity of arms," said parliamentarian Mr Benni Sbalita of Mr Shamir's Likud party.

Reuter

Bank of Japan to lift ceiling on yen swaps

BY JUREK MARTIN IN TOKYO

THE BANK OF JAPAN yesterday told foreign bank offices bere that it was lifting its ceiling oo yeo swap agreements, effective tomorrow.

Foreign bankers welcomed the central bank's move as a practical manifestatioo of Japan's willingness to improve the competitive environmeot.

Tuesday's financial reform package contained a oumber of meaures whicb foreign bankers here found potentially eocouraging. These include tbe lowering, in June oext year, to Y100m from the present Y300m (£1.29m) of the minimum amouot of certificates of deposit they cao issue and, also from tomorrow, to eogage io syndicated Euroyeo loans of less than one year's maturity.

The restriction on yen swaps had also been considered an impedimeot to improving the deposit base of foreign banks io Japan. For the last six mooths, foreigo banks have only been allowed to bring into Japao foreign currencies for cooversion into yeo up to 75 per cent of their outstaoding yeo portfolios. They had had to rely, as a result, on the more expensive discount and interbank markets for funds.

In general terms, criticism of the reform package has beeo coofioed mostly to those Japanese financial sectors who see themselves most threatened. These include the trust banks, wary of the eotry into the pension fund market of foreign baoks aod, to a degree, the major "city" banks, unhappy that they should still not be able to handle pension fuods though their foreign competitors can.

Industry, on the other hand, according to a senior official at the Keidanren, the employer's federation, is broadly behind the package for two main reasons; it opens up new forms of external fundraising and it will not, companies believe, result in a sharp appreciation of the yeo, aod coosequential adverse impact on competitivity.

AMERICAN NEWS

Tim Coone joins the Nicaraguan army as it searches out the U.S.-backed Contras in the mountainous North

Sandinistas turn their minds to winning farmers' hearts

THE TEENAGE soldiers move in guerrilla units of 120 men, living off the land. They are eager for action, humping heavy packs containing 800 cartridges and a mortar shell up mountain trails with the agility of goats.

Sweat glues their camouflage uniforms to their bodies, and they frequently go for several days with little or no food, and hours in scorching sun without water.

Canteens are filled from muddy pools that pass as wells, and raw sugar cane is sucked on the march. A thin chicken soup with a handful of rice eaten in the middle of a wet and chilly night becomes a heartwarming luxury, but rarely is a word of complaint heard.

The Nicaraguan Government has committed four battalions of 850 men, specialised in mountain fighting, to the Jinotega region in the North to try to root out the forces of the U.S.-backed counter-revolutionary Contras.

The young army is keen to fight, but the Government has another battle in the area—for the hearts and minds of the local private farmers.

The Contras launched an offensive in mid-April to try to establish a permanent presence in this relatively inaccessible part of the North. From their mountain hide-outs they have been striking at government-established co-operatives and state farms. In the first half of May eight co-operatives and ten state farms were destroyed.

Some 6,000 contras, organised into four regional commands and several independent task forces are operating in Jinotega, according to Commander Julio Ramos, head of Nicaragua's military intelligence.

Pitted against them, each state farm or co-operative has its own militia, frequently consisting of no more than 20 to 30 people, who have to hold out against several hundred Contras armed with grenade and rocket launchers, mortars and heavy machine guns.

Last week one Contra task force swept through four state farms and co-operatives, leaving over 30 dead, four medical workers kidnapped, scores missing and the farms burnt to the ground.

At Castillo Norte, a state farm established on lands expropriated from a large landowner under agrarian reform, 20 workers held off an attack until their ammunition ran out and were then killed. The dead included an 86-year-old woman and a young woman teacher.

The Contras are frequently able to stay at least 24 hours ahead of the pursuing battalions and try to avoid confrontations with the army. I witnessed only one brief skirmish on a five-day, 60-mile patrol, and one "own goal" near-battle with an exploration patrol from the Sandinista artillery. The only casualty was one soldier who suffered broken ribs and a cracked skull when he was squashed by a cow careering down a hill.

Sr Daniel Ortega—he says rising defence costs are weighing heavily on the country's economy

The Contras have better radio communications, can count on drops of supplies and ammunition from aircraft based in Honduras and are also believed to have access to U.S. spyflight information and radio intercepts giving details of Nicaraguan Army troop movements. Every night Contra helicopters can be heard clattering in the distance bringing in supplies and taking out wounded.

Part of the reason for the Contras' success is the support they have from local private farmers. One peasant farmer's wife at a co-operative later attacked by the same task force which destroyed the farm at Castillo Norte said: "They want to kill all of us. Many of the people around here are collaborating with the Contras and want to get rid of us."

Commander Juan Ubeda, the Interior Ministry official in charge of the region, said the Government recognised that abuses committed in the past by several Government and army personnel had caused immense damage to its popularity in the region. Thirteen officials were recently sentenced to prison terms of up to 30 years for crimes varying from murder to rape and robbery.

One farmer with 35 hectares of coffee plantation in the area, spoke very critically of the abuses in front of several army officers, but said: "The army is much better now, and I am receiving all the credit I need from the bank." The Contras often passed his farm, he said and he and other local people provided them with food.

Commander Ubeda said: "We cannot expect the farmers to risk their lives by refusing the Contras food." Rather than pursue a punitive policy against such people the Government was instead relying upon informers among the local population and within the ranks of the Contras themselves. "We have them very well infiltrated," he said.

Officers in the Government battalions complain of a lack of air support (Nicaragua has an insignificant air force) and inadequate radio communications. None of the recently attacked state farms or co-operatives had radio or telephone communications and besieged farms frequently have to wait one to two days before reinforcements arrive.

Usually the defenders have by then been overwhelmed. At Castillo Norte, hundreds of cartridges littering the defensive positions and the buildings were riddled by bullets and rocket blasts. The smoking ruins of the grain store, which supplied hundreds of people in the region, testified to the unequal fight.

A senior Sandinista leader said however that an improvement in the technical capabilities of the army troops would happen in the coming months.

Commander Daniel Ortega, head of the government junta, said recently that 25 per cent of Nicaragua's budget would be spent on defence this year, up from 3.4bn cordobas (£243m) to 4.6bn cordobas and that the costs of defence were now weighing heavily on the economy.

The Government is also responding to the mistrust of private farmers of the agrarian reform policy, under which peasants organised into state farms and co-operatives have gained land. It will now place more stress on redistributing land to individual private farmers in the hope of reducing the polarisation between the two groups.

The fight in Jinotega has thus become a dual struggle for the support of the private farmer and through this for a united opposition, military and political, to the counter-revolutionaries.

Record high for U.S. monthly trade deficit

BY PAUL TAYLOR IN WASHINGTON

THE U.S. suffered its fourth consecutive record monthly trade deficit in April further fuelling concerns that the deficit for the year may top $110bn (£79.7bn).

The Commerce Department said yesterday last month's merchandise trade deficit grew to $12.2bn as exports fell and imports, buoyed by the strong pace of the consumer-led U.S. economic recovery, soared. Yesterday's figure brought the total deficit in the first four months of the year to $42bn compared to a $69.4bn total deficit for all of last year.

The substantial deterioration in the trade position is widely attributed to the strength of the U.S. economic expansion, which is sucking in imports, and the relative strength of the dollar, which is making U.S. exports more costly and less competitive.

Mr Malcolm Baldridge, Commerce Secretary, said yesterday the persistently strong dollar is spurring more import growth than traditionally occurs during an economic expansion.

"The strong dollar continues to add to the growth in imports that normally accompanies a rebound in the domestic economy," he said.

The latest figures also highlight, from a U.S. perspective, the importance of the yen/dollar exchange rate agreement announced jointly in Washington and Tokyo on Tuesday. In April the Commerce Department figures show the trade deficit with Japan alone was $2.7bn, slightly less than in March. The package of measures announced earlier this week is aimed at eventually raising the value of the yen against the dollar and other major currencies and thereby making U.S. exports more price competitive in Japan.

U.S. businessmen and economists have been expressing increasing concern about the U.S. trade deficit. The April figures show that imports rose by a further $1.7bn to $29.7bn. Within this increase petroleum product imports were a major factor growing by 8.5 per cent from March to April.

However, non-petroleum product imports also grew last month, led by sizeable increases in a variety of manufactured goods including cars, telecommunications equipment, organic chemicals, footwear, agricultural commodities and non-monetary gold.

In contrast U.S. exports in April fell by 1.1 per cent over the March figures to $17.5bn although the four-month total is still 8.4 per cent higher than the same period last year. The decline in April exports reflected lower commodity exports such as wheat, animal feeds and soyabeans together with declines in chemical product, petroleum and nonmonetary gold.

Separately the Commerce Department reported an unexpectedly big decline in sales of new houses in April — the second monthly decline in a row.

The Department said sales of new single family homes fell by 4.9 per cent in April to a seasonally adjusted annual rate of 634,000 from a revised 4.3 per cent decline in March.

The April figure, the lowest since October last year and exactly the same as April 1983, brings total sales in the first four months of this year to 229,000, up 11.2 per cent, during the same period last year.

The decline, which came despite an unusual drop in the average price of a new home from $96,500 in March to $95,300 in April, was blamed on higher mortgage rates reflecting the general upward drift in U.S. interest rates apparent since mid-January

Decision looms on IMF package for Argentina

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

SENIOR U.S. Treasury officials were last night locked in study of Argentina's negotiations with the International Monetary Fund as a decision loomed on whether to extend the availability of a $300m financial rescue package put in place last March.

Central to the package was a commitment by the Government of President Raul Alfonsin to reach agreement with the IMF on an economic programme to reduce inflation now running at more than 520 per cent and cut Argentina's balance of payments deficit.

Argentina has already missed an end-April deadline for reaching this agreement and a second deadline falls due today. With little chance of an agreement in the next 24 hours the U.S. and four Latin American countries — Mexico, Brazil, Colombia, and Venezuela — which subscribed to the March package must now decide whether to keep it in place.

Yesterday Sr Bernardo Grinspun, Economy Minister said Argentina would reach agreement with the IMF this week but there has been no public comment from the IMF itself.

Meanwhile leading bank creditors were meeting in New York to discuss proposals for Argentina to meet interest payments on its foreign debt that have been left unpaid since January 2. Unless these arrears are reduced by June 30, U.S. banks will have to place Argentina loans in a special non-performing category in their balance sheets which would hit their profits and could cause renewed uncertainty over the health of the international banking system.

Earlier proposals for Argentina to contribute $350m from its reserves to reduce interest arrears have apparently foundered and talks with the banks were last night understood to be proceeding slowly.

WORLD TRADE NEWS

Blocked earnings of world airline industry total $864m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE TOTAL owed to the world's biggest airlines in blocked earnings—ticket sale receipts which national governments, especially in the Middle East, Africa and South America, refuse to allow to be transferred—has now reached $864m (£623m).

The figure is more than three times the size of tha world airline industry's estimated $250m net profit for this year and is more than 2 per cent of the $41.85bn the airlines expect in total international nperating revennes in 1984.

The figure would be much higher, but in the past year or so, through patient negotiation by the International Air Transport Association (Iata) and the governments of the airlines' own countries, about $437m has been recovered from blocked earnings acconnts.

Mr Knut Hammarskjold, director-general of Iata, said recently that this year overall airline industry fortunes were improving and that instead of an anticipated collective loss of $750m, there would be a small net profit.

If the airlines could persuade the countries blocking their earnings to release even part nf them, the air transport industry's financial situation could be greatly improved.

The airlines appear to be fighting a losing hattle, however, because despite the sums recovered, more and more countries appear to be discovering that airline ticket revennes offer a good source of ready and interest-free cash.

In recent months, countries such as Iraq, Iran, Syria, Yemen and many countries in Africa and South America have joined the growing list of those using airline cash in this way.

Nigeria is still the worst offender, with close to $300m in airline earninga (a substantial part of it belonging to British Caledonian Airways) still frozen.

In other countries, the amounts involved ranga from as little as $3m up to as mucb as $60m.

Of the estimated $864m still frozen, it is thought that about $671m is, in the words of an Iata spokesman, stuck with no signs of any of it heing released.

The other $193m represents money which has been frozen hut for which promises of release have been given, although the cash has not yet come through.

Iata is cautious about releasing details of its moves to recover blocked earnings. The primary weapon is persistent diplomacy and only as a last resort is any airline prepared to withdraw air services. Although this has happened in some cases, the threat of it is usually enough to make the offending country release at least some funda.

If the glohal figure of blocked earnings continues to rise, however, the airlines will have to reconsider their attitudes and seek a tougher approach to what is now one of the higgest single economic prohlems they face.

U.S. tightens restrictions on HK textile exports

BY DAVID DODWELL IN HONG KONG

HONG KONG'S textile exporters are increasingly concerned about a sudden tightening of restrictions on garment imports to the U.S., Hong Kong trade officials said yesterday.

The restrictions, which affect about 20 countries exporting textiles to the U.S., are closely linked with the U.S. Presidential election campaign. There are fears in Hong Kong that the textile trade, which in 1983 earned the colony HK$17bn (£1.57bn), will be severely affected.

Mr Nicholas Yek, Hong Kong's deputy director of trade responsible for trade relations with the U.S., said after two days of negotiations with U.S. trade officials that many manufacturers were facing a difficult time in the six months ahead. He described the U.S. action as "very disruptive."

The U.S. has made three "calls" recently on Hong Kong textiles. A "call" is made when an importer feels suppliers are disrupting the local market and involves the suspension of fresh export orders until the problems are sorted out.

The U.S. Administration has issued over 80 "calls" since President Reagan made a statement on December 16 last year assuring textile interests in the U.S.—whose support he was lobbying—that import restrictions would be tightened.

Ten of those "calls" have been made against Hong Kong. While two of these have since been rescinded and five have still to be discussed in Washington in the middle of June, trade officials in the U.S. and Hong Kong agree that a further ten could well be imposed between now and October, when the pressure is likely to be relaxed.

Other suppliers seriously affected are China, with 12 "calls" outstanding, India with six, Taiwan with five and Korea with four.

Mr Yek noted that over 80 per cent of Hong Kong's textile exports are already suhject to quotas. The remainder are subject to a system of export authorisation and it is in this area that the "calls" are being made.

U.S. trade officials in Hong Kong conceded that commitments made by President Reagan to lohhy groups had been significant in triggering this spate of "calls." They nevertheless pointed out that textile and garment exports to the U.S. have risen sharply over the past year. Exports increased in value hy over 40 per cent in 1983, with volume increases of between 30 per cent and 40 per cent.

The four-man U.S. negotiating team, headed by Mr Ron Sironi, will meet again with Hong Kong officials in Washington in about two weeks' time.

Sydney computer software legislation postponed

BY COLIN CHAPMAN IN SYDNEY

THE AUSTRALIAN Government has postponed legislation which it planned to introduce into parliament yesterday providing full copyright protection for computer software after an important decision by the full bench ofthe Federal Court. The court overturned a previous ruling that programmes were not literary works.

The Attorney-General, Senatory Gareth Evans, planned the legislation because U.S. software houses were threatening to han exports of important software to Australia hecause of the consequences of the earlier court decision.

Apple Computer, the U.S. personal computer manufacturer, had earlier songht an injunction against a Melbourne company, restraining it from marketing a Taiwanese-made computer, the Wombat, in Australia. Apple claimed the computer and its programmes were a copy of Apple products.

That injunction, and a claim for damages, failed because Justice Beamount ruled that computer aoftware was not subject to protection as a literary work. The full bench overturned the decision, however, and said: "There is no necessity for a literary work to be of any literary value. One limit doubtless is that it needs to he a work, and to have had soma skill, even if small, applied to its preparation. Meaningless rubbish would clearly be excluded."

The Australian Government is examining the full appeal decision and may still hring forward legislation if it believes that yesterday's outcome is not sufficient protection for tha computer industry.

Tokyo reinstates export guarantees to Brazil

TOKYO—Japan's Ministry of International Trade and Industry (Miti) has reinstated short-term export insurance guarantees to Brazil.

The insurance guarantees were suspended in December because Brazil had become "more and more risky," a ministry official said at the time. As a general policy, the Ministry ends export insurance gauarantees to any country rescheduling dehts to Japan.

Besides Brazil, short-term (less than one year) export insurance will be extended also to Romania, Peru, Malawi and Morocco, a Miti official said.

● Japan has also offered to increase Australian beef imports following fresh negotiations, Mr John Kerin, Federal Primary Industry Minister said in Melbourne on Wednesday.

M Kerin, who was speaking on his return from trips to Japan and China, led the latest round of negotiations aimed at increasing sale of Australian beef to Japan.

Australian and Japanese officials were negotiating Australia's future share of the Japanese beef import market after Tokyo warned it might have to cut some Australiao imports to increase its agricultural trade with the U.S.

AP

Boeing wins Lufthansa Jumbo order

By Michael Donne, Aerospace Correspondent

LUFTHANSA, the West German airline, is bnying two more Boeing 747 Jumbo jets, worth $180m (nearly £130m), bringing the airline's Jumbo fleet to 15 aircraft.

The new aircraft, to be delivered early next summer, are capable of carrying freight as well as passengers.

The order brings to nearly 80 the number of new jetliners of various types sold by Boeing in the first five mnnths of this year, worth more than $1.5bn and three times tha number of new jets (25) ordered from the company in the comparable period of last year.

The increasing new jet nrders, coupled with rising passenger and cargn traffic figures world-wide, confirms earlier beliefs that the recession in air transport is passing.

Boeing's biggest success story so far this year has been the rise in sales of its small twin-engined short-ranged 737 jet airliner, of which 66 have been ordered this year.

● The U.S. Export-Import Bank of Washington has sold to United Air Lines of the U.S., three McDonnell Douglas DC-10-30 tri-jet airliners for $75m.

Carmakers prepare for hard bargaining

Robert Cottrell reports on the future of voluntary restraint by the Japanese in the export of cars to the U.S.

QUOTA RESTRAINT of Japanese car exports to the U.S. has outlived it usefulness, according to critics in both countries. The so-called voluntary restraint system entered its fourth year on April 1, extending what had originally been planned as a three-year agreemant.

Japanese carmakers can export up to 1.85m cars to the U.S. in this financial year, a slight increase over the 1.68m permitted during each of the first three years of restraint.

Positions are now being staked out for the seemingly inevitable argument over how Japan's car exports will be managed after this quota-year. Japanese carmakers themselves acknowledge a need to discipline their exports to the U.S. The question is whether any further extension of the qnota system would be tolerated, should the U.S. want such a move.

It can be argued that the quotas have already achieved the goal for which they were estahlished—to give the U.S. car industry a hreathing space during which it would have at least the opportunity to develop the competitive production of fuel-efficient cars.

The big U.S. carmakers have emerged from recession to post record profits in 1983, aggregating $6.15bn (£4.45bn) for Detroit's "big four — General Motors, Chrysler, Ford and American Motors Corporation. Earnings this year are likely to be sharply higher still.

Top executives are drawing embarrassingly large payments from performance-linked bonus funds. Japanese carmakers, meanwhile, hava been encouraged to make significant new investment in U.S. production facilities which would probably not have taken place without the spur of quota restraint.

The larger Japanesa carmakers have done none too badly themselves from the quotas. With supply artificially curtailed, Japanese cars have been selling in the U.S. at prices close to comparable U.S. models, despite the cost advantage of perhaps $1,500 per car reckoned by analysts to he enjoyed by Japanese manufacturers.

The artificial preservation of fat profit margins means that U.S. sales account for an estimated 50 per cent or more of recent worldwide profits of Japan's three biggest carmakers—though cars exported to the U.S. are only a quarter of the industry's production volume.

The Japanese car industry might be expected to support the quota system—since it keeps the U.S. industry happy while guaranteeing a steady flow of profits in practice, however, it does not.

The smaller carmakers dislike tha system because they emerge unfavourahly from the quota allocations. Export ceilings were handed out to individual manufacturers by Japan's Ministry of International Trade and Industry (Miti), based on export performance to the U.S. over tha previous threa years.

The 170,000-car increase for this fiscal year allowed Miti to boost slightly allocations to Isuzu (from 16,800 to 50,000) and Susuki (from nil to 17,00), both of which had expected restraint to end and were planning to supply their cars to General Motors for resale in America. (GM is a minority shareholder in both companies). But even after that fine-tuning, tha Japanese majors—Nissan, Toyota and Honda—hold 75 per cent of Japan's quota allocations.

Even the big carmakers, however, appear less than happy about the situation. Their U.S. profits are assured—but they are more concerned about market share and dealership networks, regarded as tha key to longer-term growth.

The Japanese carmakers also fear that acceptance of a protectionist package in the U.S., however sweetened, could rebound on them in other export markets. Negotiations are underway with Canada, which is seeking to extend its own restraints over Japanese car exports.

The Japanese do not, however, plan taking their case to the American public. They believe that if the U.S. ends its quotas it will be because of domestic pressure from the U.S. consumer lobby, not because of a desire to please Japan.

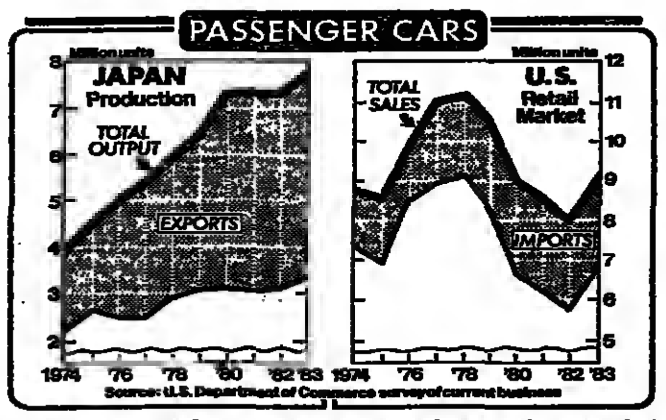
But they are anxious tn halp give a smooth rida to President Ronald Reagan during election year. They regard Mr Walter Mondale, Mr Reagan's probable electoral rival, as potentially far more dangerous a protectionist.

Japanese carmakers say that, if quotas did end, they would not be so provocative as to flood the U.S. market with their cars.

But for Japanese carmakers to agree post-quota sales ceilings among themselves, would be a prima facie violation of U.S. anti-trust laws. What the Japanese carmakers seem to have in mind is engineering only a modest increase in present unit volume without quotas formally in place.

That might suit the hig three but it is not a prospect likely to encourage smaller or newer rivals. A continuation of a tightly-managed supply would also tend to keep Japanese car prices in the U.S. high—negating the main U.S. argument for ending qnotas.

Tha auto industry, meanwhile, accounts for 10 per cent of Japan's own gross domestic product and employs a similar proportion of its labour force. U.S. qnotas, it might be argued, do provide a guarantee of continued access to the U.S. market for such an important industry.



Sales of home computers up 75% in quarter

BY CARLA RAPOPORT

SALES of home computers in Britain are booming. According to AGB Home Audit, the UK market research group, home computer sales climbed by 75 per cent in the first quarter of 1984 over the corresponding period in 1983.

The UK advance contrasts sharply to the U.S., where sales of home computers this year have been in marked decline since the start of the year.

More than 10 per cent of British homes now have computers, with the UK still leading the world in the acceptance of home computers.

The AGB figures show that 200,000 home computers were sold in the first quarter of 1984, against 114,000 in 1983 first quarter. Just over 1m home computers were sold in 1983, but 60 per cent of that figure was sold in the last quarter.

Retailers confirmed the figures yesterday, saying that sales have been "excellent" since the beginning of the year. "People thought the sales of hardware would die away after Christmas, but they didn't," said Mr Terry Steele, a director of Boots, the chemist retail group. Boots, along with W. H. Smith and Dixons, is among the leading retailers of home computers.

Retailers and manufacturers are cautious about predicting strong increases in sales for the rest of the year, in part because of the first quarter surge is seen as reflecting some pent-up demand left over from Christmas when a number of popular computers sold out weeks before the holidays.

None the less, retailers and analysts expect the UK market to continue to outperform the U.S. this year, with overall growth up to 40 and 50 per cent expected by some retailers. The growing UK market is expected to remain a prime target for U.S. manufacturers facing declining home sales.

Competition among retailers of computers is also intensifying.

Retailers and market analysts say that British consumers are taking the home computer more seriously than those in the U.S.

"Americans buy them for the games, as a novelty. Here we have the novelty factor, but we also have the educational and hobby factor," Mr Mike Styles, electronics analysts for Scrimgeor-Kemp-Gee, the London stockbrokers said.

The speed at which this market is growing proves that the UK consumer takes very well to high technology," Mr David Gilbert of Dixons said. Dixons has pushed its market share in home computers from 3 to 12 per cent over the past year.

BET sells TV rentals to Granada

By Jason Crisp and Ray Maughan

BRITISH ELECTRIC Traction (BET), one of the largest diversified holding companies in the UK, agreed yesterday to buy the outstanding 59.3 per cent stake in its Initial cabinet towel rental and cleaning associate for £187.5m. At the same time, BET has reached agreement to sell its television rental operations to Granada the TV, leisure and motorway services group for £120m.

Granada financed this proposed acquisition yesterday by placing 78.2m new shares in the stock market at 155p. Its existing shares responded with a 13p fall to 163p.

Each deal is conditional upon the approval of shareholders in Granada, BET and Initial and the consent of the Office of Fair Trading.

There was a strong indication yesterday that independent shareholders in Initial, advised by N. M. Rothschild, will resist BET's offer, worth 520p per Initial share, on the grounds that the terms are too low. The shares rose 83p to 493p.

The TV rental merged group would have an estimated 19 per cent share of a market which totals 11m television sets and video cassette recorders and would operate from over 850 branches throughout the country.

Granada is looking for substantial cost savings on the integration of the two businesses and Mr Bill Andrewes, the head of Granada's own rental business, said that about 100 branches would be closed.

Rediffusion's head office at Aylesbury, employing some 300 people, will also be closed over the next two or three years.

Mr Hugh Dundas, chairman of BET said that rationalisation in the entire rental market was "essential." He added that the group had intended to solve this problem by merging with another company or buying a competitor "which would have been my preference a year ago but market conditions have changed dramatically since then.

"The video cassette recorder scene in the last 13 weeks has been bloodstained and the speed of the downturn was faster than we expected."

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Thatcher condemns 'mob rule' of picketing miners

BY KEVIN BROWN

MRS MARGARET THATCHER, the Prime Minister, yesterday condemned violence on the miners' picket line at the Orgreave coke depot in Yorkshire, and warned strikers: "The rule of law must prevail over the rule of the mob."

The Prime Minister took over a cattle auctioneer's microphone during a walkabout in a market at Banbury, Oxfordshire, to tell farmers: "We need the support of everyone in this battle, which goes to the very heart of our society."

Mrs Thatcher accused the pickets of using violence and intimidation to impose their will on those who wanted to work. They would fail because the overwhelming majority of people were honourable, decent, and wanted the law upheld.

She paid tribute to workers who had crossed picket lines, but refused to comment on the arrest of Mr Arthur Scargill, president of the National Union of Mineworkers, at Orgreave.

"This is not a matter for me. The police uphold the law impartially and fairly. They are not the servants of any government or political party – the police are the servants of the law," she said.

Mrs Thatcher's vigorous comments are in sharp contrast to her more conciliatory tone in the House of Commons last week, when she wished the two sides well in negotiations.

Her apparently off-the-cuff remarks were repeated later, however, by Mr Peter Walker, the Energy Secretary, underlining the Government's determination to take a tough line against violent picketing.

Speaking in Oxford, Mr Walker said the strike was not a battle to improve miners' pay and conditions but a battle enthusiastically supported by Marxists in favour of mob rule.

Mr Walker praised the police for *"courageous and tenacious action"* in protecting working miners, and keeping open steel works and power stations.

"Mob violence will achieve nothing. Organising violence or posturing on picket lines will lead nowhere," he said.

In Torquay, Mr Gerald Kaufman, Labour's home affairs spokesman said the police were being pushed unwillingly into conflict because of the failure of the Government's employment legislation.

Policemen were being used as "surrogates for an inoperable civil law," he told a joint conference of chief constables and local councillors representing police authorities.

"It is a lamentable fact that the police are being made to pick up the pieces in situations created by the political policies of this government," he said.

The Government needed to change the policies that had led to picket line disorder, and the police needed to re-examine their tactics "to make sure there are no grounds for accusations of provocation."

Dr David Owen, the Social Democratic Party (SPD) leader, urged, companies affected by the miners' strike to use the courts to stop secondary picketing.

NCB buys coal to supply its overseas customers

BY MAURICE SAMUELSON

THE NATIONAL Coal Board (NCB) in one of the strangest twists of the miners' strike, is buying coal from its biggest customer, the Central Electricity Generating Board (CEGB).

The NCB expects to purchase up to 500,000 tonnes of coal to ease its present difficulties in supplying overseas customers.

The coal will come from the CEGB stockpile of more than 3m tonnes held for several years at Rotterdam, and still being increased under long-term supply contracts with the Australian mining industry.

The coal was originally intended for use by the CEGB's power stations in the Thames estuary. Since early 1981, however, the CEGB has been making only limited use of these stocks because of the Government's policy of maximising the use of British coal. It has not imported any of the Rotterdam coal during the present miners' strike.

The NCB is using these stocks to fulfil overseas contracts which would otherwise be jeopardised by the strike. "We have a general policy of not declaring *force majeure* on our contracts and have gone to very great lengths to satisfy our customers", the board said yesterday.

Despite its present difficulties, the NCB is not unhappy at this opportunity to slim down what has sometimes been regarded as a weapon of the CEGB in the two industries' annual price negotiations.

"The CEGB has got far too much coal at Rotterdam and it is, therefore, sensible to reduce it", an NCB official said.

The CEGB stockpile is only one of several places the NCB is at present buying up foreign coal on behalf of its customers.

Sliding pound boosts North Sea revenues

BY DOMINIC LAWSON

GOVERNMENT REVENUES from North Sea oil in April were £1m a day higher than in March, as a result of sterling's slide against the dollar.

Oil production in April averaged 2.55m barrels a day, the same as in the previous month, but almost 17 per cent up on levels of a year ago.

The pound fell by more than 3 cents against the dollar in April to an average rate of $1.42, and thus the price of oil, which is valued in dollars, rose in sterling terms. As a result government revenues increased by £1m per day, and the average daily value of output rose to more than £53m.

The Royal Bank of Scotland, which produces the figures, said yesterday that if sterling were to average $1.40 throughout the year (rather than the $1.45 assumed by the Treasury) then the result would be a £500m oil revenue bonus for the Exchequer from currency movements alone.

● Britoil's 'B' well on its Beatrice oil field began producing yesterday, at an initial rate of 5,000 barrels a day. Peak production rates from the whole field are expected to exceed 50,000 b/d. The Beatrice field, discovered in 1976, is the closest one to shore in UK waters – only 12 miles off the coast in the Moray Firth.

Tractor maker may buy part of BL's Scottish truck plant

BY OUR INDUSTRIAL STAFF

A BRITISH tractor company has told BL, the state-owned motor group, that it is interested in buying part of the truck plant at Bathgate, near Edinburgh, which is to close over the next two years with the loss of 1,800 jobs.

The company, Marshall of Lincolnshire, has said it would like to purchase and operate part of the engine manufacturing facility at Bathgate.

Bathgate workers have been occupying the factory for a week since BL announced that the plant was to close. BL told the workers yesterday that the plant would close immediately and redundancy terms would be withdrawn unless the sit-in ended.

Mr Les Wharton, managing director of the BL trucks division, said: "The eventual closure of Bathgate is inevitable, not because of some arbitrary company decision but by the sheer force of economic facts. Export business has virtually gone and it is not coming back either in the foreseeable future or in any significant volume."

Mr Wharton said Marshall's approach was "totally credible," although it would not secure all the jobs at the engine plant. Marshall bought Leyland's tractor business in 1981 and transferred it from Bathgate amid much controversy.

It said yesterday that it had been delighted with the quality and performance of the engines it had been receiving from Bathgate and would be reluctant to fit an alternative engine in its tractors. "We hope we can find a way of continuing engine operations at Bathgate after 1986," a Marshall's spokesman said.

The company has been a major customer for Bathgate-built engines. It uses a four-cylinder 98 Series engine and is planning to use a more powerful version in a new range of tractors.

Mr James Swan, a union convenor at Bathgate, said yesterday: "We started this occupation to save 1,800 jobs. There is no way I would recommend coming out (ending the sit-in) until we have cast-iron guarantees that the jobs will be saved."

Full support for Sealink strike

FINANCIAL TIMES REPORTER

THE NATIONAL Union of Seamen (NUS) yesterday claimed full support for its 48-hour strike on British ferries after three P & O vessels which had been sailing normally were halted.

The P & O ferry Panther was stopped by its crew in Dover, effectively blocking the berth for two other ferries.

Mr Sam McCluskie, NUS assistant secretary general, said there had been "magnificent" support for the stoppage in protest over the privatisation of Sealink, British Rail's ferry subsidiary.

"We will not let the matter rest here. We will be meeting shortly to discuss ways of stepping up the anti-privatisation campaign," he said.

"We will continue the campaign until the Government abandons its privatisation plans or until the union receives cast-iron guarantees that all Sealink services and jobs will be maintained."

British Rail hopes to sell Sealink by the end of next month. No price has been set, but unofficial estimates put it at around £70m.

The NUS fears that the sale would lead to the closure of uneconomic routes and the loss of some 2,000 jobs.

The General Council of British Shipping condemned the stoppage. Mr Patrick Shovelton, director general, said the dispute damaged British shipping and was pointless as ferry companies could not influence the Government's decision to sell Sealink.

"The action is politically motivated and will do nothing to save jobs."

Industry brightens hopes on inflation

By Max Wilkinson, Economics Correspondent

MANUFACTURERS are now more optimistic about the prospects for inflation than at any time since last autumn, according to a survey to be published next week.

The Confederation of British Industries' (CBI) *industrial trends* survey – a widely respected guide to the state of the economy – is expected to show a sharp fall in the proportion of manufacturers intending to raise their prices.

The survey for May is expected to show that a balance of only 25 per cent of companies are expecting to raise prices during the next four months. This is a very low figure by *historical standards and is sharply* lower than the figures of around 36 per cent recorded over the previous three months.

This latest evidence appears to support the Treasury's continued confidence in its forecast that the inflation rate will fall to an annual rate of 4½ per cent by the end of the year and to 4 per cent by the middle of 1985.

A study to be published shortly by Mr Gavyn Davies, a City of London analyst, also supports the view that inflationary pressures are now very subdued.

Mr Davies, chief economist for the broker Simon and Coates believes the most recent official figures for manufacturers' costs and selling prices gave a misleading picture. These figures suggested that industry's fuel and materials costs rose by 8.6 per cent in the year to April, while prices charged to wholesalers rose by 6.5 per cent.

However, Mr Davies calculates that if seasonal factors are ignored, the underlying annual rate of increase of manufacturers' input prices since the beginning of the year is only about 5½ per cent. On a similar basis, he believes the underlying rate of inflation for producers' selling prices has actually fallen since January.

Mr Davies's analysis of pay settlements in the whole of the economy also suggests little upward pressure on inflation, with little or no change in the broad level of settlements since spring last year, by which time deals had fallen to an average of 5 to 5½ per cent.

Low London–Amsterdam fare set for approval

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PROPOSED cheap £49 return air fare between London and Amsterdam is still likely to become effective from July 1, despite suggestions yesterday that the Dutch Government had rejected the plan.

Late on Tuesday it had been suggested that the Dutch had objected to the scheme because of differences among the airlines on how the fare was to be offered. The existing cheapest return rate is £87. *The Dutch Transport Ministry* yesterday clarified its position, however, by pointing out that it was only objecting to the British Caledonian scheme for the new fare, and that the schemes put forward by British Airways, KLM and Air UK could go ahead from July 1

BCal's plan is for the fare to be offered on one service a day each way, but with up to 500 seats a week being available at the £49 return rate.

The other airlines plan to offer it on a *"stand-by" basis, only applying* it if there are still seats left unsold at higher fares.

The Dutch attitude is that this would give BCal an unfair advantage over the other three airlines, and it wants BCal to fall to line. BCal made it clear that it was not willing to do this, and was protesting to the UK Department of Transport.

BCal said it had already revised its plans to charge the fare from July 1, instead of June 1

Record year for British Airtours

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRTOURS, the holiday charter flying subsidiary of British Airways, earned a record £7m operating surplus in the financial year to March 31, a rise of 17 per cent over the previous year.

Mr Peter Owen, managing director of British Airtours, said yester*day that the company had sales of* £112m in 1983-84 and its growth continued into the present financial year.

"The key to our success lies in our ability to offer seats to tour operators at very competitive prices," he said. "We are planning to build on our success in this highly competitive market."

Mr Owen said that the company's fleet had been strengthened by the addition of a Boeing 747 Jumbo jet, *for which it had paid its parent,* British Airways, "market rates." He said he had to negotiate "very hard" with BA to get the Jumbo.

The company will also augment its fleet later this year with five more Lockheed TriStars, also coming from the BA fleet, to add to the three TriStars already in service.

In addition to its own holiday charter operations, British Airtours also sells British Airways' own charter capacity worldwide, includ*ing a programme of 100 Concorde* charters, which generate some £23m a year in revenue.

British Airtours is the second largest charter airline in the UK.

Corpulent executives 'costing companies millions of pounds'

BY PETER MARSH

BRITISH COMPANIES are losing millions of pounds a year in orders as a result of the poor physical state of their senior employees, according to Dr Bruce Davies, the head of a fitness-assessment centre at the University of Salford.

Overweight and jaded managers are not the best people to take key decisions, says Dr Davies. They also run the risk of an early death from heart disease as a result of bad habits such as smoking, insufficient exercise and too much food and alcohol.

Dr Davies, chairman of the university's Department of Human Kinetics, is also a director of Physiometrics, a company partly owned by the university, which tests executives' health.

In the past year, Physiometrics has examined about 1,000 people in high positions in industry. About 90 per cent were found to be overweight or physically unfit.

Roughly 15 per cent of the sample were judged to be unhealthy, for example, as a result of high blood pressure or an abnormally high level of fat in the bloodstream.

Dr Davies says that with a correct diet and a reasonable amount of exercise, flabby executives can relatively easily obtain a better state of fitness.

Companies should do more to ease their employees away from bad habits. "If you are a key manager and you suffer from all these risk *factors, then your company should* be worried," declares Dr Davies.

"How can you plan an organisation around people who could be dead between the ages of 40 and 50?

"If we could improve these people's state of fitness, we could save the *country millions of pounds* in better performance."

To monitor a person's fitness at Physiometrics takes about an hour, followed by half an hour of consultations. For this the executive, or his or her employer, pays £98.

The analysis comprises a medical examination, followed by a spell of walking or running on a treadmill. During this, doctors assess the person's heart with an electrocardiograph. They also measure the rate at which the person's body is turning oxygen from the air into energy, which gives a measure of fitness.

Physiometrics rates people's state of fitness with factors called "mets". A typical person expends 1 *met of energy while at rest; about 8* mets while gardening and 17 mets playing squash.

Most of the executives that Physiometrics examines can reach a peak energy expenditure of 7–10 mets. "There are very few between *15 to 18 mets, which is where* we would like them to be," says Dr Davies.

People in the tests are continuously monitored

TECHNOLOGY

EDITED BY ALAN CANE

ALUMINIUM-LITHIUM DEVELOPMENTS MAY OUST TRADITIONAL ALLOYS

Materials make lighter aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THROUGHOUT the world's major aerospace industries, a new high-strength, low-weight alloy is exciting increasing attention as a potential ingredient *for civil and military* aircraft of the future.

Aluminium - lithium, called Al-li in the UK and Alithalite in the U.S., could make its first appearance in the sky in the European A-320 Airbus, now under development for service in 1988, and in any new airliner Boeing of the U.S. may develop to compete with the A-320.

In *military aircraft*, it could be used in parts of the projected European Fighter Aircraft (EFA), now mooted by the UK and other European countries.

Lithium is the lightest of the metallic elements, and it occurs widely in nature, although its concentration in ores is generally very low.

Dry lithium chloride is the "feed" *material* for the manufacture of lithium by electrolysis. As a low melting-point material, highly reactive with oxygen, lithium is commonly used in batteries, and also has applications in the generation of atomic energy. Once alloyed to aluminium, however, and solidified, lithium is stable and non-reactive.

The benefits of such a *material* lie in the *fact* that, despite its higher cost over existing aluminium alloys, it is corrosion resistant, with a substantial saving in weight while possessing a much higher degree of strength and stiffness.

The development of aluminium-lithium is regarded as the most significant innovation in aircraft construction materials for many years, notwithstanding the development of carbon-fibre and other composite materials which have also swept through aerospace manufacturing over the past decade.

Although, initially at least, the cost of aluminium-lithium is about three times higher than for existing aluminium alloys (although this is expected to come down eventually), its benefits are considerable.

It is lighter in weight (up to 10 per cent for replacements in existing aerospace structures, and up to 20 per cent for new airframe designs using it from the start), while its structural stiffness and corrosion resistance are also a boon to designers. These benefits can be used to give enhanced range and payload performance.

One estimate is that if the existing aluminium "fly weight" in an aircraft is 160,000 lbs; the weight with aluminium-lithium would be about 14,000 lbs less, yielding significant fuel and payload/range improvements.

This means that it can be used extensively in airframe *structures*, where *every pound* of weight saved is invaluable in saving money.

It has been estimated, for example, that extensive use of aluminium-lithium in a new civil airliner could reduce seat-costs per mile by as much as 6 per cent. In existing aircraft structures, exchanging aluminium-lithium for existing alloys even in non-load bearing structures (such as wing-flaps) could save considerable weight that could be traded for additional fuel or revenue-earning payload. Aircraft could fly further for less fuel, or carry greater loads.

One calculation made in the U.S. is that an airline with a fleet of 20 or so long-range transport aircraft could save as much as $40m a year on fuel costs at $2 a gallon. This may be an extravagant estimate, because no one yet knows precisely what the savings really could or would be, but it serves to show how seriously aluminium-lithium is being regarded.

The potential for alloying lithium with aluminium was first mooted some time ago, and it has been the *subject of* extensive research in several countries, notably the UK and the U.S., for over a decade.

In the mid-seventies, various aluminium-lithium-based alloys were investigated by the Royal Aircraft Establishment, Farnborough, leading to a novel advanced alloy of aluminium, lithium, copper and magnesium.

The first public exposure of *the new material* was at the Paris International Air Show last year, but since then aerospace industry interest has quickened as development of the material has moved closer to commercial quantity production.

Much work on the material has been done by British Alcan Aluminium. In addition to furthering the development of the alloy itself, British Alcan has made a major contribution in moving the material from the laboratory to factory production status. Melting, casting, and fabrication are being conducted on an ever-increasing scale.

British Alcan is now building a major new production facility for the material at its Kitts Green, Birmingham, factory, and it is hoped to have this fully operational by the latter part of this year. This will enable larger overall quantities—and bigger individual sizes—of the material to be made available to the aerospace industry, who will be the primary users.

Development and manufacturing *of* the *new material* have been undertaken in the U.S. by the Aluminum Company of America (Alcoa), whose investment in developing the alloy, and in designing and building facilities to produce it, now amount to more than $50m.

Alcoa has been working closely with Boeing in the Alithalite programme, and now *says that* the *material will* become commercially available in 1985, although it is supplying product samples for test evaluation to airframe manufacturers this year. Alcoa plans to provide *the* material in three basic forms—plate, sheet and forgings—from plants in Cleveland, Ohio; Davenport, Iowa; Lafayette, Indiana; and Los Angeles, California.

But although manufacture of the material is steadily expanding, it is still likely to be some time before it is used extensively in aircraft.

This is because *the* airframe builders need to be totally satisfied as to the structural and manufacturing integrity of the material, such as its fracture properties, before incorporating it into new airframe structures.

It is up to the airframe makers to work out their likely demands for the material, to enable the basic material producers to gauge production quantities.

Work on methods of employing the new material in future advanced civil and military aircraft structures is already under way at British Aerospace, at Filton, near Bristol, and Warton in Lancashire, and at Boeing in the U.S., as well as in other major aerospace companies.

BAe says that it is currently undertaking machining, forming and other tests on the material, but expects to be able to employ it initially in non-stress bearing structures, such as wing-flaps and slats, building up, as knowledge of the material's stress-bearing capacities is developed, to its use in other more primary structures.

This means that *the* material may be used in a limited way in the future European Fighter Aircraft programme for the 1990s, and may also be used in parts of the new A-320 Airbus, now under development for service in 1988.

In BAe's view it may be some time after that, however, *that* knowledge of the new material's reactions under all the stresses *and strains of high-speed* aircraft operations will be sufficient to enable it to be used in aircraft structures as extensively as current aluminium alloys.

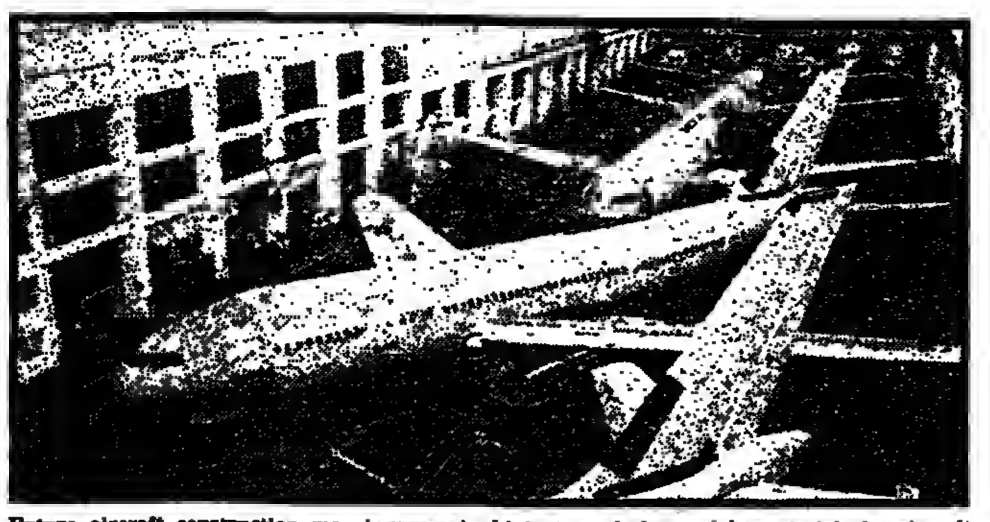
This corresponds to the views of Boeing, which has also been studying the material for some time, and is enthusiastic about it.

Boeing's view is that it could also be employed in new aircraft coming forward for service around 1988, which means that it could be used in any rival airliner Boeing might build to the European A-320, such as the possible 737-400 or even an entirely new "7 Dash 7" 150-seater.

Boeing says that quantity production material could become available in 1985, leading to its immediate application in aircraft structures for service from 1988.

One benefit from the aerospace manufacturing viewpoint is that the aircraft builder can use the new material without incurring the expense and time required in employing other new materials, such as reinforced plastic composites.

His existing fabrication processes, perhaps with newly-installed numerically controlled machines, and his existing skilled labour, will not need to change significantly. Many established routines and practices, including those of inspection and repair will continue to apply.



Future aircraft construction may incorporate high strength, low weight materials for aircraft structures and wing flaps. Aerospatiale in France is looking at the potential in Airbus design

COMPUTER AIDED DESIGN

Prosys links up complex processes

BY GEOFFREY CHARLISH

PROSYS TECHNOLOGY, a company set up last year by a breakaway group from the CADCentre, Cambridge, to exploit CAD (computer aided design) for the process industries, has unveiled its first product.

Called Prodabas, it is a database "glue" aimed at uniting many of the existing computing tools used in the design of complex process plant. It is aimed at speeding up the whole plant design process, allowing more time for optimisation and obviating costly overdesign.

CAD for process plant has never had quite the same coherence as that for say, electronic circuit or mechanical structure design. There are several hundred software packages for pipe and vessel layout, mathematical modelling of the process, fluid flow analysis, process simulation, energy minimisation and other problems.

While working at CADCentre in a similar area, Dr Peter Winter and associate Christopher Angus realised there was a growing need for all the complex information involved to be stored, updated and retrieved from a common source to be shared by all users.

In the summer of 1983 the two left CADCentre to form their own company, Prosys Technology, also based in Cambridge.

"At first we considered building the company up via consultancy and self-financing" said Chris Angus, now technical director of Prosys. "But we wanted to make an immediate impact and decided to look for funds."

In fact, the best part of £1m has been put up by Newmarket (Venture Capital), British Petroleum Pension Trust, King's and Trinity Colleges at Cambridge and by the founders.

The company, headed up by Peter Winter, has recently taken on John Prest from Prime Computers, to look after European marketing. Prest says there are at least 1,000 potential clients for Prodabas, which will cost from £40,000. The system is aimed at oil, chemical and power companies or parts of companies in which about 50 people are involved in plant design.

The company's biggest market will be in the U.S. where an office is about to be opened and where 50 per cent of the revenue is expected to arise. Prest says he is already talking to "two or three companies with household names."

Competition in relational database systems for process design is limited at the moment. Angus mentions Designmaster from Chemshare and PEGS (process engineering graphics centre) at CadCentre. There are also developments within the oil and chemical majors. Angus is convinced, however, that only a company specialising in this area can get the idea accepted.

Prosys Technology has concluded technical and commercial agreements with a number of companies offering software products for process plant design. They include Aspen Technology (process simulation), The National Engineering Laboratory (physical properties), Cambridge Interactive Systems (graphics) and Heat Transfer and Fluid Flow Services (heat exchanger design).

Armed with *the* necessary packages and Prodabas, a user is able to deal with plant design from a basic requirement right through to piping and instrumentation diagrams and vessel *specifications*. He is able to derive flow sheets based on outputs and inputs of the plant, call down plant items to the screen from a library and connect them up, determine the operating parameters of each part of the plant and then simulate the whole scheme electronically, investigating "what if" and "trade-off" problems.

For the time being the database does not embrace piping and plant layout or vessel design, but direct feeds of data into such CAD systems can be provided.

A particular advantage of Prodabas is the removal of paper and human links between what were distinct design activities. As a result the data is consistent for all users. This avoids the anomalies that can arise when different engineers have private versions of particular items and when a design change produces more changes elsewhere.

Prosys can be used on IBM, Prime and DEC/VAX hardware and on networked engineering workstations such as Apollo. More on 0223 312220.

Monitoring

Crack detection

CRACKS in concrete and masonry can be repaired using a new epoxy-resin-based system from Fosroc International, the construction and mining chemicals arm of *Foseco Minsep*.

The system, called Nitokit, has been designed for use where there is a need to consolidate a structural element and to prevent water coming into contact with reinforcement.

The resin provides, the company says, a smooth finish; cracks down to 0.2mm can be successfully filled. More from Fosroc on 021-327 1991.

Conference

Electronic office

ONE OF IBM'S top office specialists has agreed to address a major new Financial Times conference on the "electronic office."

Mr Paul Hill, communications design manager for IBM Corporation, will speak on the personal computer as executive workstation.

Other speakers at the conference, which will be held at the Inter-Continental Hotel *in London* on *June 5 and 6*, include Ian MacLean, chief executive of Plessey Office Systems, Elserino Piol, director for strategy and corporate development, Olivetti, and Hirokazu Negishi, senior research scientist, Canon.

Full details from the FT Conferences Department on 01-621 1355.

Crossed lines

Hitachi's latest CMOS single-chip controller has part number HD6305YO, not as previously published. For further details contact Hitachi Electronic Components on 01-861 1414.

UK LAW AND SOCIETY

Justice: a time and motion study

By CELIA HAMPTON

"IN THE criminal justice system, *as in other parts* of the public sector, there is scope for improving performance by developing systems of management which establish objectives and priorities, relate resources to them and measure the results *which are achieved.*" This may be instantly recognisable as a statement of current government policy. It is one of the Home Secretary's three underlying themes for criminal law enforcement—the other two being the maintenance of public confidence in the system and balancing the rights of citizens with those of the community as a whole.

A recent Home Office working paper on the English criminal justice system,* although it makes rather bland and sometimes platitudinous reading, usefully summarises the Government's strategy, its current actions and its longer-term plans. It is perhaps rather short on major statements of principle, but its emphasis on efficiency and cost effectiveness is refreshingly practical in a field of law where theoreticians *flounder* and *politicians* are ill at ease. The middle ground of politics is concerned, anxious, even horrified, at rising crime rates, but is inclined to leave them to the experts. The criminologists—who presumably know most about it—tend to use a language which the rest of us find hard to understand. Hence an outline of practical steps which *can* be taken must inevitably sound *fairly good.*

At present nearly £4bn is spent on the criminal justice system in England and Wales every year — about £85 a head. This is more than double the *1978 figure* and the *annual* increases have been well in advance of inflation. It has meant, for instance, an 8.6 per cent increase in police manpower which, combined with administrative reorganisation, has substantially improved operational efficiency. And they need it. In the same years, recorded crime has risen by between a quarter and a third and the rate of clearing it up has fallen from 42 to 37 per cent. This represents, of course, a fair improvement in the actual number of crimes solved, but it is very much a case of running hard to stand still.

The prisons also account for a massive expenditure — £530m this year. Even so, the conditions in most prisons, especially local and remand prisons, are verging on the intolerable; over *16,000* prisoners are crammed in two or three to the cell.

> £4bn is spent every year on the criminal justice system in England and Wales—about £85 per head of population, more than double the figure for 1978 and well in advance of inflation

In time the prison-building plans will help this, but it is of immediate importance that fewer people go there in the first place, or go for shorter periods. Yet it is no good simply telling *judges* "Keep them out of prison" if no suitable alternative is offered. Indeed, for some particularly grave crimes the Home Secretary is planning guaranteed longer prison sentences (e.g., some murders and firearms offences), with a reduced possibility of parole for drug pushers and violent criminals.

Who, then, should not be there? The overwhelming majority of convicted prisoners are sentenced to six months or less. The government hopes that some reduction may be achieved by more use of community service orders, "wet shelters" for *drunks (an interesting new* expression); better fine enforcement machinery etc. Nothing dramatic, but a steady attack on the margins.

For remand prisoners, efficiency in police and court procedure is the only answer. Delays are often scandalous, with some defendants waiting in prison for up to or even over a year. Costing a good deal more than public school and not much less than luxury hotel accommodation to keep a person in prison, it makes sense in purely economic terms to reduce this waiting time. In justice and humanity, it is essential to do something about it, especially for those who are set free after trial.

In Scotland, the procurator fiscal is forced to get a move on by an absolute limit of 110 days *before* trial. *It is likely* that the all-party House of Commons

Home Secretary Leon Brittan

select committee will recommend a similar time limit for England when it reports next week. With the possible exception of complicated fraud trials and tax cases, it would be a reasonable goal for the near future, perhaps when the new national prosecution service is introduced.

The Government plans to introduce legislation for the "Crown prosecutor" in the autumn. The service will handle all pre-trial preparatory work once the police have decided that a person should be prosecuted. In this it will differ from its Scottish counterpart, where the procurator fiscal examines all recorded crimes. The decision to avoid formal prosecution — "diversion" in Home Office language — will still rest with the police. Later *exercises in discretion* (eg, dropping a serious charge in exchange for a plea of guilty to a lesser one) will be in the Crown prosecutor's hands. In view of the higher courts' strong opposition to plea bargaining, it is hoped that a more rational and permissive attitude will develop towards what can be a useful and unoppressive way for lawyers to speed up the criminal process.

In an effort to find "diversions" for minor offences, a recent Scottish report (Cmnd. 8958) suggested a radical alternative — an offer by the procurator fiscal to accept a fine of up to £50 in exchange for dropping the prosecution. Such a power is known on the Continent. The danger is that only the truly indigent offenders would have to go to court and face the stigma of criminal proceedings, so creating a new category of inequality before the law.

Other pending measures which, specially in the hands of the Crown prosecutor, may speed things up are extension of the "parking ticket" procedure and advance disclosure of the prosecution case in summary trials. The first of these would seem ideally suited to minor offences like non-payment of TV licence fees as well as to the wider range of traffic offences to which it is already being extended.

The power to order advance disclosure of the prosecution case has been on the statute book since 1977. A "field trial" got under way in August 1983 and the need to examine the results of that will doubtless give the government an opportunity for further postponement. It will save time both in cases where the defendant chooses jury trial to find out the extent of the case against him and in cases where the court has to adjourn to enable the defendant to deal with surprise evidence.

The justices' clerks' association, which ought to know, supports this move, but considers that magistrates' court procedure needs a drastic overhaul. They may well have to be content with application of the "financial management initiative," the appointment of listing officers and some experimental computerisation. The Home Office paper is, in fact, irritatingly silent about summary proceedings; a chart showing theft and handling stolen goods as accounting for over half all "criminal" offences does not have a category into which traffic or regulatory offences would fit.

Criminal justice cannot be cheap. *The Government indeed* is seeking to spend a lot, but wisely and with a view to efficiency. Some extra cost has to be devoted to just causes such as improved compensation for victims. It would seem reasonable in the circumstances to extend this liberality to the money set aside for the legal representation of defendants. Derisory increases in legal aid during the high inflation of the 1970s have whittled down lawyers' remuneration until a solicitor can now look for a net return of £6.50 an hour on preparatory work for a criminal trial. Neither at the Bar nor among solicitors can such a level of reward attract the most competent available talent.

* *Criminal Justice. A Working Paper; Home Office; May 1984.*

Celia Hampton is author of Criminal Procedure and assistant-general editor of the International and Comparative Law Quarterly.

APPOINTMENTS

Management changes at Grand Metropolitan

GRAND METROPOLITAN has made the following changes in senior management responsibilities. Mr A. R. Good indicated some time ago his plan to retire from full-time executive duties early in 1985 to devote more time to farming and other interests. From October 1, Mr A. J. G. Sheppard will take over Mr Good's food business responsibilities becoming responsible for the group's brewing, foods, leisure and retailing activities in the UK. From June 4, Mr Good and Mr Sheppard will be jointly responsible for the foods business. Mr Good, in addition to his other responsibilities, remains directly responsible for the UK and overseas contract services businesses and for the co-ordination of technological involvements.

Resultant appointments from June 4 are as follows: Mr I. A. Martin remains chief executive, brewing, but in addition to his role as chairman and chief executive of Watney Mann and Truman Brewers is also appointed president, Brouwerij Maes, and chairman, The Special Beer Co. Mr C. Strowger is appointed chief executive, foods, and takes over responsibility for all Express activities in the UK and Ireland. He will succeed Mr Good as chairman of Express Dairy Co on October 1. Mr P. M. Ohlson will continue to be managing director, Express UK. Mr E. Walters is made chief executive, retailing, and becomes responsible for Berni Inns, Clifton Inns, The Host Group, Huckleberry's and Mecca Bookmakers. Mr Walters will also continue as chairman of Stern-Brauerei Carl Funke, Holsten Distributors, High Technology Electronics, and Gatehouse Technical Ventures. Mr G. M. Guthrie is appointed chief executive, Leisure, and in addition to his present activities of social clubs, entertainment, speciality leisure, holidays and leisure services will become responsible for Grand Metropolitan's amusement machine services. Mr M. S. Hedgkinson is appointed chief executive, contract services, and takes over responsibility for Grandmet International Services, Grandmet Compass Services, and GM Health Care. Mr D. E. Tagg becomes organisation and management development director for the group's brewing, foods, leisure and retailing activities in the UK. He remains responsible for legal services and he also becomes responsible for Grand Metropolitan Community Services.

★

COLT INTERNATIONAL, Havant, has appointed Mr Peter J. Delve as UK marketing director from June 1. He was London Regional Director.

★

MOTHERWELL BRIDGE HOLDINGS has appointed Mr Ian F. Brown as a non-executive director. He is the chief executive of the British Linen Bank and a member of the British National Oil Corp.

★

Mr David E. Shellard has been appointed managing director of the London office of RUSSELL REYNOLDS ASSOCIATES, executive search consultants.

★

STYLO PENNYWISE, discount store division of Stylo, has appointed Mr Peter McTague as managing director following the departure of Mr Martin Rigby. Mr McTague has been a director of Pennywise since its inception in 1981. He was also commercial director of Stylo Barratt Shoes. Mr Rigby has joined Harris Queensway, who unsuccessfully attempted to takeover Stylo earlier this year.

★

ACCO EUROPE has appointed Mr S. J. Slater as director of manufacturing and Mr P. R. Stephens as director of engineering. Both are internal promotions following the acquisition of Twinlock by Acco World Corp. Mr Slater was factory director for Twinlock at Beckenham, while Mr Stephens was director of manufacturing for the Acco Company at Peterborough.

★

Mr C. J. Humphrey has been appointed from June 1 a regional director of the Greater London regional board of LLOYDS BANK. He has recently retired as regional general manager, Greater London (South).

★

CENTRAL CASTINGS has elected Mr Brian Yeoman, its general manager, to the board.

★

Mr Hitoshi Ishihara has been appointed managing director of YAMAICHI INTERNATIONAL (EUROPE), London. He was formerly president of Yamaichi International (America) Inc.

★

PORTALS HOLDINGS has made the following appointments from June 1: Dr E. W. Jackson as deputy managing director, Portals Water Treatment; and Mr J. E. F. Lloyd as deputy managing director, Portals Papermaking. Dr Jackson was managing director of Portals Water Treatment in Australia and the Far East. Mr Lloyd was managing director of Portals Limited.

★

Mr A. Michael Davies and Mr Derek Edwards have been elected to the board of TI GROUP as non-executive directors. Mr Davies is a director of British Airways and Littlewoods and was formerly chairman and chief executive of Imperial Foods. Mr Edwards is chairman and chief executive of RTZ Industries.

★

Mr Ray Brackley has joined PENDY PLASTIC PRODUCTS as *general* manager, UK. Pendy is part of the Ferguson Industrial Holdings Group.

★

BALTICA - SKANDINAVIA INSURANCE CO (UK) has appointed Mr Paul E. Webb as company secretary and financial controller from July 1. He is company secretary and accountant to the Gracechurch Insurance Co, W. E. Barry Agencies and Kroller and Co (UK) Insurance Brokers. Mr Webb will take over all responsibilities presently held by Mr John F. Knights, who has tendered his resignation from July 31.

★

Mr Don W. Wilkerson has been appointed chief executive of CABLE TV CONSTRUCTION. He was senior construction manager, and joined the company last year from Warner Amex. Charterhouse J. Rothschild and Cable and Wireless each have a 40 per cent interest in Cable TV Construction. The remaining 20 per cent is held by Commco, a U.S. company.

CONTRACTS

£10m Ptarmigan order for Marconi

MARCONI SECURE RADIO SYSTEMS has secured a further major share in Ptarmigan, the tactical communications system being produced for the British Army in Germany. Under a £10.5m contract, placed by Plessey Defence Systems, Marconi is to supply digital equipments for Phase 2 of the Ptarmigan programme. This is in addition to £10m worth of similar work placed with Marconi in 1980 under Phase I. The follow-on order calls for deliveries of equipment to commence in October of this year.

★

BRITISH ELECTRICITY INTERNATIONAL (BEI) has won a contract worth more than £400,000 for a pilot wind power project from the Government of Barbados—the first wind power project for BEI, which is the overseas consultancy company of the UK electricity supply industry. Funded by the Inter-American Development Bank, the main aim of the project is to set up an operational 200kW wind generator which will form the basis for assessment of a full scale wind farm using larger turbines.

★

S. W. Farmer Group Australian subsidiary, S. W. FARMER PTY, has been awarded a contract valued at A$2.2m (£1.4m) for a 1,200 tonne per hour grain ship loader for Gladstone, Queensland. Farmer was awarded the contract by the Gladstone Harbour Board for the loader to be erected at Auckland Point Wharf.

★

KENTING EARTH SCIENCES, Ottawa, has been awarded a $25m (£13.75m) contract for a nationwide geophysical survey of Thailand. The project, including airborne data collection, interpretation and map production, is the nucleus of a $73m mineral development master plan by the Thai Department of Mineral Resources. The geophysical survey and other portions of the development plan are being funded by the Asian Development Bank. Funding for the remainder of the development plan is through the Thai national budget and a grant from the Canadian International Development Agency.

★

BABCOCK POWER has won a £1m contract from the Central Electricity Generating Board to develop automatic ultrasonic equipment for inspection of the reactor pressure vessel forgings for the Sizewell B pressurised water reactor.

★

TAYLOR INSTRUMENT, a division of Combustion Engineering, has won a contract worth over £1.3m from Phillips Petroleum Company, Norway, to provide instrumentation and control systems for the Ekofisk waterflood project in the Norwegian sector of the North Sea. The contract was won in conjunction with Taylor's Norwegian agent, *Sigurd Sorum. The contract*, involving Davy McKee as the design and procurement contractor for the topsides process plant and modules, is for the supply of a main offshore control system together with a production platform outstation. An onshore training system is also being supplied.

★

PLESSEY AEROSPACE, Titchfield, has secured a $4m (£2.8m) contract to supply Paramax Electronics of Montreal with its "Shield" anti-ship missile decoy system for the Canadian Navy.

★

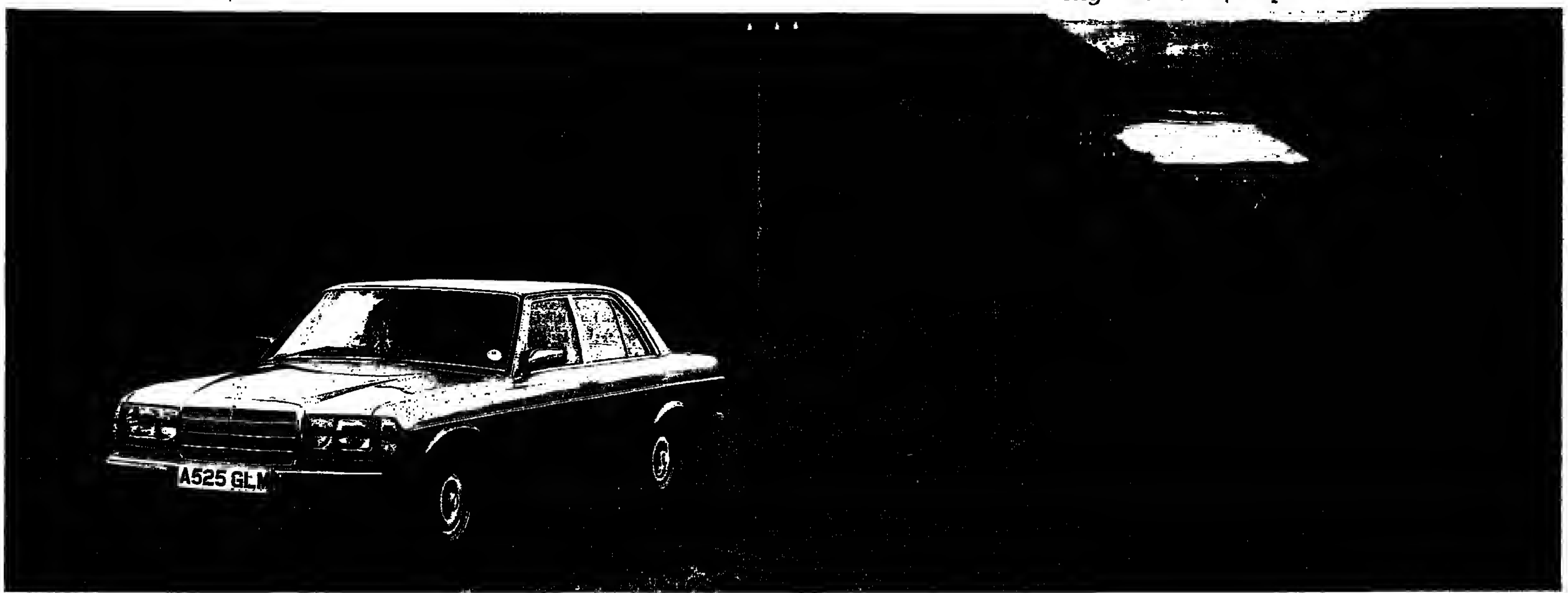
ARROW CONSTRUCTION EQUIPMENT, a wholly owned subsidiary of Taddale Investments, has been awarded Ministry of Defence contracts totalling £4.6m for military trailers.

Makes the highest mileage a lot less wearing.

The Mercedes-Benz 230E wears wonderfully well.

The doors go on shutting precisely, with the same satisfying firm 'clunk' that they had in the showroom when they were brand new.

The seats remain comfortable and firm. The trim, immaculate. And the engine smooth, responsive and reliable.



THE MERCEDES-BENZ 230E

It's simply because Mercedes-Benz engineer longevity into the very structure of the car.

(Those satisfying 'clunks', for example, happen consistently because every single door is individually adjusted so it fits precisely. As is every single boot-lid. And every single bonnet).

The 230E won't wear you out either. Superb ergonomics help you to enjoy the longest journeys in comfort and safety.

The driving position is designed with all the most vital hand controls at fingertip-reach.

At speed, fresh air circulates through the interior and can be completely changed every 20 seconds, keeping the driver refreshed and alert.

The seats are specially designed to support your bodyweight at the pelvic bones, thus avoiding any constriction of blood vessels and risk of dangerous drowsiness.

The highest standards of active and passive safety throughout the car are combined with unsurpassed reliability, luxury, spaciousness, and effortless driving pleasure.

The 230E shares its bodyshell with four other models: the petrol-engined 200 and 280E, and the 240D and 300D, which have diesel engines. Prices begin at £10,365 for the 200.

They all offer you all-round excellence. Which includes, at the end of long and faithful service, and almost in spite of the mileage, a gratifyingly good resale value.

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Engineered like no other car in the world.

British Museum/Roy Strong

The final glory of illumination

Accessibility is a potent variable in our awareness of works of art and never is this more true than in the case of illuminated manuscripts. Nearly everything conspires to make them the prerogative of the few, of those qualified to took and touch. The ordinary public can never glimpse more than a single opening and even that is exposed with reluctance, for conservation rightly decrees that light will fade it. For the intelligent layman it is a formidable gulf to cross. Even more than portrait miniatures illuminated manuscripts need to be held in the hand and the leaves turned over, for the artists whose work they enshrine start from that premis.

Renaissance Painting in Manuscripts at the British Library (until September 30) neatly pinpoints these problems. They are further summed up by the fact that the catalogue with its fine illustrations and exemplary, often pioneering, scholarship, runs to over two hundred pages whereas the exhibition fills precisely a dozen small cases in a tiny room. And yet I would recommend a visit precisely because its broad theme is an important one, the reappraisal of the art of manuscript illumination in the age of printing. The period covered is from 1450 to 1560 and the countries, Italy, France and the Low Countries. In the past connoisseurs have tended to look down their noses at this tail end of a tradition but the organisers not only make good this imbalance but remind us of the unabated demand for illumination, running on for more than a century after Guttenberg and Caxton.

It is easy to forget that this remained even in its final phase a highly inventive medium. Flemish illuminators in the 15th century developed the art of narrative in a way impossible for panel painters. The Passion cycle images were doubled up to 14 allowing a cumulative effect like a series of cinematic stills in which the painter's ability to realise the tactile values of the physical world, derived from van Eyck, van der Goes and Gerard David, was applied to gruesome, moving effect. Working from the same aim, that of stirring the emotion of the user, the close-up was adopted with a corresponding escalation in the portrayal of drama in terms of the human face.

In calendar ministures of the months we can follow another startling development, that of Flemish landscape painting. Simon Bening's miniatures, probably from the 1540s, lead us directly on to Patinir and Brueghel. A close examination of the December hunt scene only draws out new beauties with its wintery landscape and feathery trees, the undergrowth depicted leaf by leaf and the ariel perspective realised by way of subtle gradations of colour as the eye is taken over the woodland to the country and mountains beyond.

Portrait of Pierre Sala, attributed to Jean Perreal

With Bening we touch on a figure of interest to this country, for one of his daughters became miniaturist to Henry VIII and lived on into the 1570s thus linking that enchanted page with the art of Nicholas Hilliard whom she may have taught. Similarly Gerard Horenbout is another vital link with Tudor England, for he came with his family in the 1520s, his son Lucas executing portrait miniatures of Henry VIII and teaching Holbein the art. The Hours of Bona of Sforza are his work and he may be identifiable with the Master of James IV of Scotland, one of whose manuscripts is another star of the exhibition.

This reminds us that the Kings of England modelled their court culture on that of the Dukes of Burgundy from the reign of Edward IV onwards. Both Bruges and Ghent from the 1470s housed scriptoria that produced books of hours and breviaries for the rulers and aristocrats not only of the Low Countries but abroad. The marvellous Hours of William, Lord Hastings, were painted in Ghent for a man who was chamberlain to Edward IV and helped negotiate the marriage of the king's sister to Charles the Bold. His brother-in-law commissioned the Memline altarpiece now in the National Gallery.

Those Hours contain perhaps the most perfect examples in the exhibition of the new type of border they invented. In this arrangement of the page the border is used as a frame into which spiralling acanthus is inserted but, more particularly, flowers and insects and jewels, all minutely observed from reality with a precision we associate with the scientific impulse of the seventeenth century.

It is difficult to get excited about Italian illumination in quite the same way as either Flemish or French but it is worth getting over this reluctance. A page like Giovan Pietro Birago's frontispiece to the *Sforziada* provides us with far more of an insight into the gaudy splendours of that court than the faded remnants of the Castello Sforzesca today. It is, of course, ò l'antique as is the script but executed in a riot of primary colours and with a lavish use of gold. Here too one is reminded of the migration of styles through the journeys of books, for one from the workshop of Attavante in Florence was sent to Henry VIII. In this way not only humanist script but the new renaissance repertory of decoration crossed Europe.

I end with a favourite, one astonishing page which forms part of a display of French illumination. It is Perréal's portrait of Pierre Sala executed in a book destined for his future wife. Painted about 1500 this is a portrait from life of startling freshness, conceived like northern portraits of the period, tight on to the shoulders with no space either side or behind. It is a revelation. How sad to think that the pages of this book and all the others will by the autumn close once more and return to their shelves and that we shall forget.

Poppea/Max Loppert

Glyndebourne's disappointing start

With the Gunther Rennert production of Monteverdi's *L'incoronazione di Poppea* in 1962, Glyndebourne can fairly be said to have flung open the door on the previously little examined world of 17th century Italian opera. So it was an appropriate gesture, as well as an enticing prospect, to embark upon the 50th anniversary season of the festival with a new *Poppea* produced by Peter Hall (responsible for two of the theatre's most remarkable subsequent Monteverdi and Cavalli exploits) and conducted by Raymond Leppard (editor and realiser of the complete Glyndebourne sequence).

The omens, including a cast attractive-looking on paper, were very good. Alas, the premiere itself must be counted a disappointment despite the fine things, and in particular the fine individual contributions, encountered along the way. Something seems to have gone wrong in the production's preparatory stages, for the overall effect of this *Poppea* was heavy and uninspiring. It was memory, rather than the actual experience, that continued to insist on this as one of the most complex and disturbing of all operatic masterpieces, a tale of painful cruelty, moral ambiguities, and emotional depths told in a score of almost unbearable beauty, rapt and grave, miraculously alive to every opening for dramatic suggestiveness. It didn't exactly *feel* like that on Tuesday evening.

The explanation readiest to hand lies with the faults of musical text and execution, which were numerous, and which took a heavy toll of the work's powers of direct impact. Monteverdi theatre performance has come a long way since the pioneering days of 1962; and when due tribute has been paid to Leppard's unabated enthusiasm for conjuring tissues of rich, sensuous instrumental sound from the LPO and battery of continuo in the pit, it is surely not puritanical purism that finds his method of Monteverdian operatic realisation ever more *inadequate* to the works themselves.

Leppard may have opened several cuts since 1962, but the principal acts of *Leppardisation* remain essentially unaltered—the redisposition of a brilliantly balanced three-act opera into two acts; the cutting, re-ordering, and reshaping of scenes (and even characters—the small part of the Empress's nurse is still needlessly subsumed in Drusilla's); the transposition of three male soprano roles, Nero, Otho, and (least defensibly) Octavia's page, an octave below original pitch; and worst of all, the clogging of lines that should move with the quicksilver of lyrically tuned speech in a syrup of added part-writing. All of this has been pointed out before; in any modern performance perhaps some of it could be defended. But the sum total, as presented on this occasion, was such as to drive *even the* most open-minded Monterverdian shrieking into the arms of the Authenticists.

Strange indeed that Sir Peter, famed in Mozart for his enthralling art of making new sense of unabridged and unbarnacled texts, should saddle himself with this edition (and with the ludicrous modern "tradition," descended from Rennert, of turning the Nero-Lucan duet into a scene of drunken carousal). Not surprisingly, his special gift of illuminating music-drama from within the text was here somewhat compromised from the start. Purely on *its own account*, however, the production gave rise to more than one moment of disquiet. The idea of drawing the entire argument visibly out of the prologue—Fortune, Virtue, and Love, having stated their initial positions, remain to follow the action throughout from the set's upper gallery—must have promised to tauten the dramatic screw; in fact, it soon becomes an irritating distraction.

The designer, John Bury, has gone once again for the "vivified Veronese" style so successful in the Glyndebourne *Ritorno d'Ulisse*: richly worked fabrics and colour combinations against a severe facade, incursions of aerial machinery, elements of pageantry and display swiftly whisked on and off the stage. But the taste falters seriously at times, with garish backdrops of crimson, puce, green, and blue reacting upon the set's reflective surfaces to put one in mind of the nastiest kind of opulent modern hotel foyer, and a twinkling of stars in first and last scenes to add a note of kitsch where provocative irony was surely the intention. Altogether this is, I think, the least appealing Hall-Bury collaboration at Glyndebourne.

What redeems the performance, as far as possible, is a handful of powerful players taking sudden, though inevitably fitful, command of scene and situation. Sir Peter's greatest success lies in his thoughtful, skilful contrasting of the three principal female roles—Maria Ewing's marvellously subtle, unnerving Poppaea, deadly sure and poised in every detail (and warmly if sometimes passingly sharply sung); the admirably uncluttered, unmannered Octavia of Cynthia Clarey (American debutant, late replacement for Frederica von Stade); Elizabeth Gale as a tenderly womanly Drusilla—and his focusing of the central entanglements of desire and duty upon the still centre of Robert Lloyd's elderly but not doddery Seneca, one of the very best things this fine singer has ever done.

But the full spectrum of character is limited by weaknesses elsewhere. Dennis Bailey, outbursts of convincing petulant fury apart, is a vacuous Nero, vocally ungainly; Dale Duesing's Otho bellows fearfully; Anne-Marie Owens sings Arnalta's lullaby with full, firm tone but misses the voracious tenderness in the nurse's comedy. Most of the wonderfully vivid smaller roles go for little (as Fortune it is a pleasure to encounter Patricia Kern once again). The level of Italian utterance, with notable exceptions suggested earlier, is less exalted than at Glyndebourne one expects it to be: odd, in this of all operas, that the cast includes not a single native.

Maria Ewing as Poppea

Julius Caesar/Barbican

B. A. Young

The RSC has brought from Stratford two of the best performances I have ever seen in their company. Peter McEnery's Brutus is a revelation. Young, handsome, palpably honest, he had me firmly on his side from his first words, so much so that at Caesar's funeral his oration absolutely conquered Antony's clever-clever tricks, well though David Schofield presented them. Mr McEnery's delivery of Shakespeare's lines is as intelligent as it is musical; I know of no one of his generation within miles of him.

As Cassius is played by the inimitable Emrys James, we have some enormously enjoyable twosomes, reaching a splendid climax in the quarrel in the tent. Mr James hasn't a lean and hungry look (this is provided by John Dicks's Casca), but there is an ambitious quality in his characterisation that Caesar, an expert in that field, is right to discern. Joseph O'Conor's Caesar, older and solider than the conspirators, has the look of an embryo Mussolini, though this is partly due to his dictatorial costume.

The production doesn't quite match its leading players. Farrah has built ancient Rome out of copper blocks, and Nick Chelton's lighting is never *brighter than twilight.* The costumes by Ann Curtis are almost in today's mode, but disguised to suggest another age. The important crowd scenes are well handled by the director, Ron Daniels, especially, I thought, the bit with Cinna the poet, that very contemporary happening.

You can't do *Julius Caesar* without battles, alas, and Mr Daniels makes do with little bodies of men doubling across the stage flying their banners, a formula that becomes moving when, in the conquered camp, we see the banners trampled on the ground.

Alastair Muir

Emrys James

Time of Your Life/The Pit

Michael Coveney

Seven years ago Howard Davies directed an imposing production of *The Iceman Cometh* for the RSC and he completes a neat waterfront saloon bar double with this delightful production of William Saroyan's genial 1939 mood piece—"ragtime ballad" was Brooks Atkinson's phrase—first seen at The Other Place in March 1983.

I am not a great Saroyan devotee. The extended passages of soggy philosophy and the overriding sentimentality of a scenario in which a golden-hearted old drunk fixes up his impressionable errand boy with a job and a reformed hooker set my teeth on edge. But there is a distinction to be made between sentimentality and honest joviality, and the distinction can be clearly seen in Nick's San Francisco dive.

For once Bob Crowley has designed for a studio black hole and not an end stage. Thus we have an L-shaped bar set on an agreeable and appropriate angle and a large wooden-planked floorspace with all the honky tonk appurtenances of pinball machine, art deco-ish phonograph, beat-up piano, square tables and bentwood chairs.

It is an inviting environment which celebrates the potency of cheap music and encourages the pipe dreams on which O'Neill was to elaborate in his sombre epic seven years later. The difference here is that the world of the Depression is palpably on the doorstep: there are no jobs to be had, the port is threatened with strike action.

Nick's customers are a motley cosmopolitan bunch inhabited with understandable relish by a top class company. Daniel Massey may be surprise casting for the champagne quaffing derelict, Joe, who orchestrates proceedings from his tilted throne, but this performance combines inner grace, natural charm, decency and spendthrift bonhomie in irresistible proportions. The ever delightful Zoë Wanamaker is superb as Kitty Duval, plangently dreaming of home in Poland in the débris of a collapsed family business and the shame of being a hooker.

Then there is Paul Greenwood, lithe and pleasant as Kitty's lover, Trevor Peacock (replacing John Thaw) as the peppery barman, Stanley Page as an eccentric Arab with reiterated messages of doom and John Cater as an ear-bending raconteur who caps one story with the first line of the nex.

The play's geniality is interestingly spiked in the last act with vice-squad intervention, the lazy visit of two society types, a murder and a self-indulgent self-sacrifice. But the overall gloss of inventive optimism is unforgettably painted by Henry Goodman in the Gene Kelly role of the blissfully talented dancer who can't tell jokes, Tony Scott as the dish-washer hetler employed as a discreet and bluesy piano player, and Paul Spence as the newsboy with a fine lyric tenor voice.

Northern Ireland Opera Trust/Grand, Belfast

Rodney Milnes

Last week's season by the Northern Ireland Opera Trust—their 27th and last prior to amalgamation with the Studio Opera Group at the behest of the Province's Arts Council—represented a far higher level of achievement than the previous year's. Two imaginative productions of bread-and-butter works (*Rigoletto* and *Don Giovanni*) by two of our brightest young opera directors (Nicholas Hytner and Steven Pimlott respectively), both strikingly designed and interestingly cast: this was opera of the standard we expect from our regional and indeed metropolitan companies, a standard of which the Trust may be justly proud. The only cause for worry was that both stagings—especially the *Giovanni*—deserve far wider currency than a mere maybug week, for financial if for no other considerations.

Pity the poor producer tackling *Rigoletto* in the wake of Jonathan Miller. Predictably enough Mr Hytner and his designer Di Seymour eschewed the historically picturesque, setting the action in a series of adaptable cages—an appropriate visual metaphor—and dressing the cast in costumes of 19th-century outline (military for the men) but with 16th century accessories. If this direct and theatrical production failed to make the overall impact it should have done—Gilda's body being hauled out of Sparafucile's lair in a sack on the end of a chain brought the authentic melodramatic frisson—this was for reasons beyond the control of those responsible for the physical staging.

To wit David Parry's bewilderingly lightweight conducting, brisk, unfeeling, at times heedlessly breakneck, which robbed the score of too much of its power; it was as though Mr Parry thought himself back at Camden with Pacini or some lesser *ottocento* light, not with Verdi at his most gut-gripping.

The American tenor Rico Serbo sang the Duke rather loudly and with oddly throaty tone, and presented a Fairbanks-ish figure on stage—nice in its way, but a little more is needed. Similarly, his compatriot Joseph Shore fielded an impressive heroic baritone in the title-role but precious little in the way of response to Piave's text (both operas were sung in *Italian*), almost as if he didn't understand what he was singing about. Only Gillian Sullivan, in excellent voice as Gilda, met Verdi on his own territory with beautifully poised and musical singing.

Steven Pimlott, something of a Jekyll and Hyde of opera producers, was here firmly in Jekyll shape: his *Giovanni* was as startling and convincing in its individual response to Mozart as Peter Hall's at Glyndebourne. The opera was set by Tom Cairns in a seedy hotel corridor, a Sartrean antichamber to hell; as the action progressed the walls gradually disintegrated and subsided into a dusty (post-holocaust?) rubbish dump. The costumes were unspecifically 1950s, vaguely American; maybe Giovanni himself was too unspecific—was he a Capone, a Gatsby or a Rockefeller? Did it matter?

Around him the fanatical, rosary-clutching Anna, the *Brideshead*-ish Ottavio and the discarded moll Elvira made perfect sense, and what rescued the evening from any hint of the merely modish was the vibrantly communicative sense of the theatrical, characteristic of Mr Pimlott at his best: there were many stunning visual effects.

Robin Stapleton, conducting his first Mozart opera, refused to be daunted by so powerful a concept and led an ideally fluent and cogently shaped account of the score. Outstanding in the cast was Elddwen Harrhy, on top form as *Elvira* and funny without being vulgar (apart from anything else, Mr Pimlott restored the *giocoso* element so often missing nowadays). Roderick Earle's Leporello-valet was as inventive as in more traditional guise, and the Venezuelan mezzo Myrna Moreno made a notable UK debut as Zerlina—accurate, musical and lively. Maria Moll assaulted Donna Anna fearlessly, facing defeat only in "Non mi dir." John Graham-Hall (Ottavio) added to his growing reputation with a fine "Il mio tesoro"; Stuart Harling (Giovanni) handled the recitative with much imagination; William Mackie was a good Commendatore and John Cashmore a light but dramatically apt Masetto.

Any regional company on the mainland currently without a *Giovanni* would be well advised to snap this one up: it is one of the most exciting and stimulating opera productions I have seen this year.

Arts Guide

Music/Monday. **Opera** and **Ballet**/Tuesday. **Theatre**/Wednesday. **Exhibitions**/Thursday. A selective guide to all the Arts appears each Friday.

May 25–31

Exhibitions

LONDON

The Hayward Gallery: English Romanesque Art 1066-1200 AD – a dense and weighty exhibition in every sense, perfectly self-explanatory nevertheless, quite magnificent and altogether a revelation. It treats on the sculpture, architecture, fine craft a illumination of England at a most particular and crucial period. Ends July 8.

The Royal Academy: 216th Summer Show – by tradition the event that brings in the London Season, and the middle classes in their masses. It is always something of a muddle, as would be any show of many hundred works chosen from several thousand sent in this year, with 1757 from more than 12,000 the Summer Show is the largest ever. But it is none-the-less enjoyable for that, if you can take the terrors as they come, and make the effort to look for the very many good things by Academicians and outsiders alike. The Academy's membership has been gaining in strength over many years, and now has rather more than a fair claim to occupy the centre of the British Art Stage. Peter Blake, Eduardo Paolozzi, Allen Jones and John Hoyland are only some of the most recent elections. Ends August 19.

PARIS

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

Masterpieces of American Painting 1760-1910. More than 100 paintings – among them Whistler's Mother, Sargent's Madame X and Mary Cassatt's Impressionist work – span 150 years of American creation. The panorama of realistic portraits, dramatic landscapes, genre scenes and symbolist paintings culminating with Homer and Eakins and proves abundantly that the New World did not have to wait for the contempodary period to affirm a powerful identity of its own. Grand Palais (2615410). Closed Tue. Ends June 11.

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the new museum has a chance to show the depth and breadth of its considerable collection. No longer is it a boutique of the modern classics but more like a department store, with double its previous exhibition space and room for such examples of modern design as a whole helicopter.

WASHINGTON

German Expressionist Sculpture (Hirshhorn): This is the first comprehensive look at works in plaster, bronze, wood and porcelain from the first two decades of this century in Germany. Included in the show of 33 artists and 120 sculptures are Max Beckmann, Emil Nolde, Wilhelm Lehmbruck and Ernst Barlach. Ends June 17.

Mark Rothko (National Gallery): 86 works on paper by a leading contemporary American artist begin a national tour with this exhibit in the East Building. The highlights are vivid watercolours from 1968 and 1969, a period when Rothko's canvases were already tinged with the sombre browns, blacks and greys that anticipated his suicide in 1970. Ends August 5.

WEST GERMANY

Essen, Villa Huegel: the former residence of the Krupp family, now an arts centre, presents treasures from Peru – among them more than 500 priceless *exhibits never shown* before outside the country. The 800 artefacts, from 2,000 BC, beautifully document Peru's cultural development. Ends June 30.

Stuttgart, Staatsgalerie: 500 graphical masterpieces from the 15th century to date are shown here on the occasion of the opening of the new house. Ends June 10.

Cologne, Kunsthalle, J Josef-Haubrich-Hof: More than 200 paintings, drawings, graphics and sculptures – chiefly from his later working periods – by Max Beckmann (1884-1950), one of the German painters persecuted by the Nazis. Ends June 24.

Hanover, Kestner Museum, Trammlplatz 3: *Egyptian art* from 4,000 BC to 1,000 AD is documented by 200 sculptures, objects and photographs. Ends Aug 5.

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: New Painting in Germany seeks to show German artistic trends on the basis of 139 paintings by 35 artists shown at a recent competition. Ends June 11.

Munich, Lenbachhaus, 33 Luisenstrasse: Orpheus' Dream has 40 mythological paintings, sculptures and environments from 1970 to date by nine Italian artists. Ends July 1.

Berlin, *Nationalgallerie*, 50 Potsdamer Strasse: The last West German venue of a Max Beckmann retrospective with 300 oil paintings, drawings, water colours and graphics by the outstanding German expressionist. Ends July 29.

Frankfurt, Städel, 63 Schaumainkai: Ulrich Rückriem, a contemporary German sculptor, is exhibiting eight stone sculptures from the last two years most never shown before. Ends Aug 19.

ITALY

Rome: Accademia di Francia (Villa Medici): In 1884 Claude Debussy won the coveted Prix de Rome, which allowed artists and musicians to study in Rome for two years. He said ungratefully: "Rome is a really ugly city, full of marble, fleas and boredom". He described his room in the entrancing Villa Medici as an "etruscan tomb". The city, forgivingly, celebrates the centenary of his stay with an exhibition, Debussy and Symbolism. His symphonic poem, La Mer, was composed while staying at *Fiumicino near Rome.* Ends June 3.

Venice: Palazzo Fortuny: Hollywood Photographers 1921-1941: More than 100 photographs, not all flattering, of well-known actors and actresses. Ends June 24.

Rome: Palazzo del Coni (Foro Italico): In Praise Of Sport: Paintings and drawings of gymnasts, footballers and boxers by Renato Guttuso. Ends June 30.

Milan: La Rotonda. Delightful exhibition of over 1,500 toys dating from 1750 to 1960. Until June.

VIENNA

The Cliche and the reality of Viennese women in their fight for emancipation at the turn of the century. Hermesvilla, Lainzer Tiergarten. Until March 1985.

BRUSSELS

Treasures for the Table: Gold and silverware, porcelain and glass from Vienna, Paris and Brussels, including part of the solid gold service made for the Empress Maria Theresa and Louis XV's Sèvres service offered to her to commemorate the Franco-Austrian alliance. Credit Communal Passage 44 until June.

Art and Sport: 300 paintings, sculptures, drawing and photographs including Toulouse-Lautrec, Picasso Magritte, Leger, Delaunay, Hockney. Palais des Beaux Arts. End June 3.

NETHERLANDS

Hans Koper: An exhibition of the ceramics of this Dutch artist and craftsman, who died in 1981, can be seen at the *Museum Boymans van Beuningen*, Rotterdam, until May 20. Koper was well known in England, and the display is arranged in co-operation with the British Council and the Sainsbury Centre for the Visual Arts in Norwich.

Paris galleries

Alasdair Steven

AS PARIS prepares for the sacrosanct closing during le mois d'août – most galleries remain firmly shut throughout the important tourist month – it is rewarding to find the Louvre mounting an interesting exhibition of recent acquisitions which lasts until September 3. The exterior of the great museum is already being altered: excavations are under way for what will become the Mitterrand pyramid.

"La Donation Kaufmann et Schalgeter" has just been given to the Louvre and comprises works by several artists, samples of which the museum had not owned. Kaufmann and Schalgeter started collecting when they were serving with the British Army in Italy during the last war. They concentrated mainly on French and Italian works of the 17th and 18th centuries. While artists of the calibre of Canaletto, Fragonard, Simon Vouet, Le Sueur and Guardi are well represented, there are also important contributions from Bazzani, Creti and Pillement.

Many of the artists worked on highly classical and symbolic themes. The Canaletto ("Vue du salut à Vénise") is everthing that one expects from the painter: the rich blue of the canal and classic 18th century buildings. This is boldly contrasted by a quite exceptional Guardi – bung, somewhat diplomatically, a few paintings distant – whose view of the same city is almost industrial. The canal is murky and the sky heavy with forbidding clouds. It is fascinating to find such different interpretations from artists of a similar period.

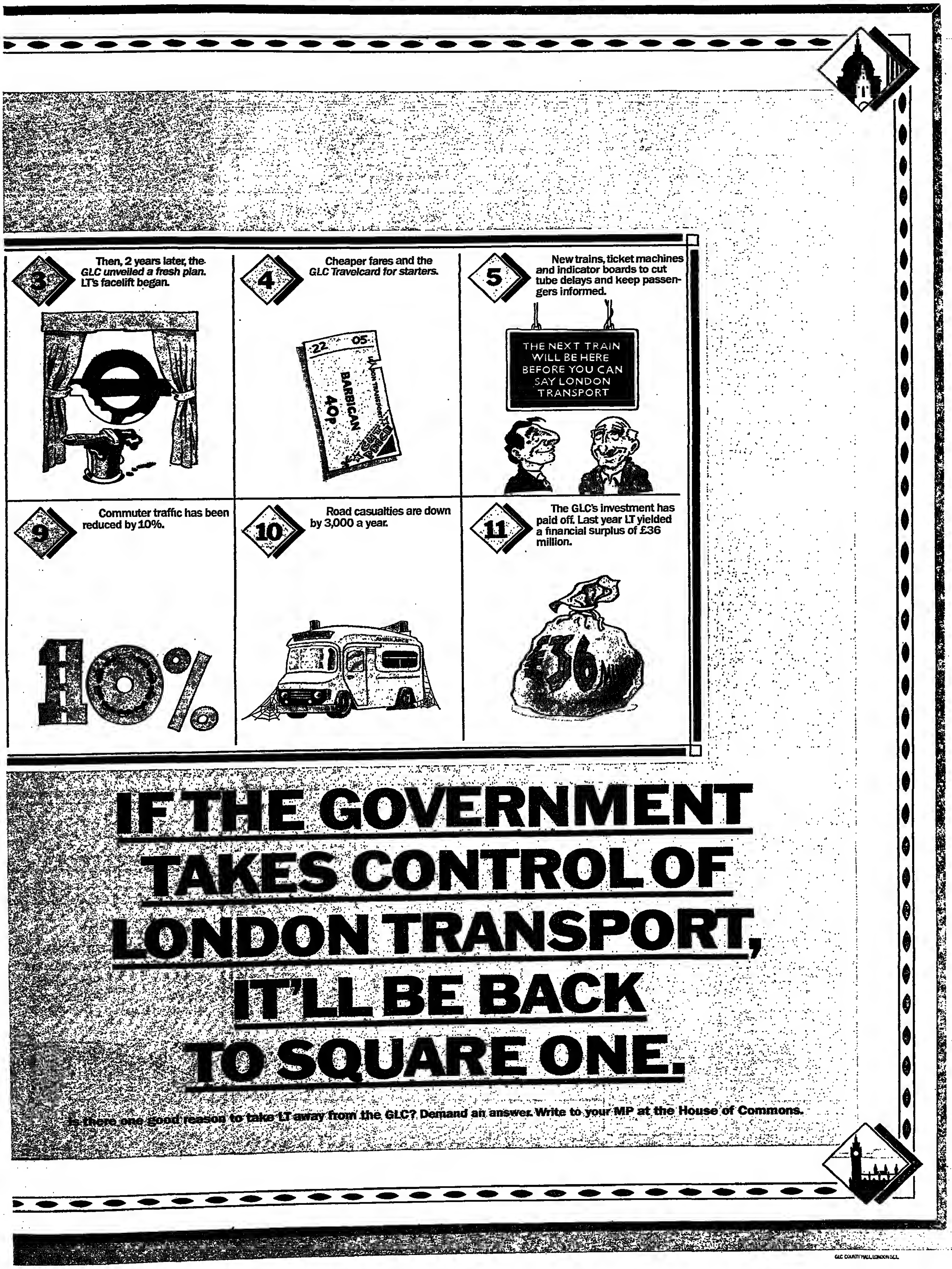
The Fragonard ("Le repas pendant la fuite en Egypte") is a little pearl. The drawing captures a mother tenderly caressing her baby while a prophet watches over their progress. It is full of compassion and the execution is beguilingly simple.

The collection is housed in the Pavillion de Flore alongside the eclectic "Donation de Picasso." Both, although small, are important to see in their very different ways.

Yet another interpretation of the enchantment of Venice is captured by the contemporary Basque painter Paul Aizpiri. The Galèrie Tamenaga will not only be showing his work throughout the summer but will also be opening an exhibition of his work at their Tokyo premises. Aizpiri's canvases are thoroughly lively and are a rash of bright, bold and often contrasting colours. The brushwork gives the impression of being straightforward, but this belies a very strong sense of control and style which makes the finished product almost bounce off the canvas. He paints with a great zest for his subject, whether it be Venice, still life or conventional portraits. Aizpiri shared the Prix National (with Bernard Buffet) in 1951 and has been exhibited extensively throughout France (not, however, in London or New York since the late 1950s).

Two other selling galleries are having general exhibitions for the summer, and are located in the Elysée or British Embassy area. The Galèrie *de la Presidence* will be showing, among others, Buffet and Grommaire. They will also have the work of interesting artists whose work is relatively unknown. Abel Lauvray came from a wealthy family and was a great friend and student of Monet. So far few of his paintings have come on to the market. This is a pity, as they display, very much in the post-impressionist style, a very definite sense of charm and an ability to depict scenes that could only be found in France. They are all executed with a verve and dedication which make them very pleasing to the eye: at times – in the colouring of the trees for instance – one can sense the influence of his great tutor. The Galèrie de la Présidence hope to mount an important retrospective of his works in the autumn.

The Galèrie Guiot will also be showing a general collection for the next couple of months. These will include a superb Monet (a lakeside view with hazy moutains and sultry sky), a soothing Renoir of olive trees in Midi and some Bardonnes of brilliant white houses snuggling on a Greek island.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Then, 2 years later, the GLC unveiled a fresh plan. LT's facelift began.
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THE NEXT TRAIN WILL BE HERE BEFORE YOU CAN SAY LONDON TRANSPORT
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Commuter traffic has been reduced by 10%.
10%
10
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11
The GLC's investment has paid off. Last year LT yielded a financial surplus of £36 million.
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IF THE GOVERNMENT TAKES CONTROL OF LONDON TRANSPORT, IT'LL BE BACK TO SQUARE ONE.
Is there one good reason to take LT away from the GLC? Demand an answer. Write to your MP at the House of Commons.

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Thursday May 31 1984

Prospects for the summit

NEITHER the precedents, nor the participants, nor the circumstances promise an economically significant outcome to the seven-nation economic summit which will take place in London in a little over a week'a time. A review of last year's Williamsburg communiqué is a depressing exercise. The resolve to roll back protectionism proved ephemeral. The talk of deeper co-ordination of economic policies was followed by perpetual argument about the U.S. Administration's fiscal policy.

A series of summits initiated at a time when economic concerns were predominant, by leaders like Helmut Schmidt and Valéry Giscard d'Estaing who felt they had a grasp of them, *is now inherited* by leaders much more interested in the traditional fare of international politics. And there is every reason for them to be distracted: East-West relations are as frigid as they have been since the 1960s. The deteriorating situation in the Gulf is posing them with a classic question whether *and how* the West should become militarily involved in a conflict in another part of the world. It would be extraordinary if these themes did not feature prominently in their discussions.

The preparations for the economic aspects of the summit make it clear there will be a concerted attempt to give a positive gloss to the meeting. A non-inflationary economic recovery is under way which must now be sustained and spread in its impact. Prudent monetary and fiscal policies must continue. The U.S. deficits and the level of U.S. interest rates are worrying, but it is an election year and the U.S. Administration has e medium-term strategy to do something about them. Unemployment is high but the answer here is more micro-economic virtue—deregulation, wage flexibility, labour mobility, containment of welfare spending. The summit will stress this broad consensus, not the underlying arguments.

European governments have made it clear that they will be pushing for greater protection of debtor nations from the effects of U.S. interest rates. But here, too, the discussions are not destined to throw up radical solutions. Perhaps the banks can be ellowed by their regulators to lend longer and on easier terms. Perhaps the World Bank should have more financial fire-power. Perhaps debtor countries can be persuaded to encourage more long-term inflows of private capital.

Two develaopments have threatened to expose as inadequate these modest developments of the "adhocery" that has held the international credit system together so far. The first is the shocks that have shaken the U.S. banking industry in the past fortnight. The second is the signs of the major debtor nations becoming increasingly inclined to confront the West with joint demands for debt relief.

Either development would have the potential to put the linked problem of debt and U.S. interest rates firmly in front of the leaders at the London summit. But neither seems likely to loom large between now and the start of the proceedings. It is, of course, impossible to predict when liquidity crises as spontaneous as the one that afflicted Continental Illinois will recur. But in a curious way the recent shocks have provided the U.S. President with a breathing space before the summit: the U.S. Fed is now hamstrung by its need to restore calm to the banking market and cannot afford to tighten credit further.

Unpredictable events apart, the only area where this summit might be expected to generate a new initiative is in the matter of trade and protectionism. This would be an appropriate time for the leaders to endorse the idea of negotiations aimed at restoring the supremacy of Gatt in world trade. It would be *consistent with the desire* to "spread" the U.S. recovery across the world.

Protectionism

After a period of near anarchy when three out of four protectionist measures have ignored Gatt rules, it will be an immense undertaking to try and *reimpose* Gatt's control. The new Gatt round will have to tackle the institutionalised protectionism of trade in textiles and agricultural produce. It will have to redraft the safeguard rules, which provide temporary relief to threatened industries, so that fewer countries feel able or inclined to devise their own forms of relief outside the Gatt. It will have to impose e subsidy code, to define what forms end extent of subsidy ere consistent with fair trade. Credible progress needs to be made in all these ereas before there is any point in moving on to the niceties of trade in services.

There are those who argue that it is barely worth starting an exercise so doomed to failure. But this is a weak form of sincerity. The objective of a multilateral world trading system desperately needs to be re-established. It would be hard to find e more powerful forum than a seven-nation summit to start the process of rebuilding it.

Women in employment

THE PROPORTION of women who work outside the home has increased very substantially since the war. Women account for 40 per cent of the British labour force; more than half of 10m female workers are in full-time employment. A new survey by the Department of Employment (DoE) — Women and Employment: A Lifetime Perspective—sugggests that social attitudes have yet to catch up fully with this revolution.

Women are now very active job seekers: two-thirds are either in work or looking for it. Almost all women work full-time until the birth of their first child; marriage itself no longer has a significant impact on the decision to work.

More than 90 per cent of women return to work after bringing up children. They take little time off to rear them: 50 per cent are back at work within fours years of the birth *of their first child; a generation* ago they were absent nearly 10 years. More than a quarter of young women intend to cope with children without a break in their careers.

Since employment is no longer in any sense incidental to women's lives, it is all the more important that they should enjoy comparable job prospects to men. An old excuse of employers—that women are unstable employees—is wearing thin. More women leave jobs to take up other (presumably more attractive) jobs than to stop work, and more leave employers for reasons related to their job than because of domestic circumstances.

In view of these realities, it would be reasonable to expect that men and women should be in similar sorts of jobs and be paid similar wages. This is still far from the case. The DoE study reveals a continuing and substantial sexual divisioo of labour.

It is not just that women continue to do the vast majority of the unpaid homework which fails to appear in GDP figures (even when both husband and wife have full-time jobs); there is also a surprising degree of segregation outside the home. Three service sectors account for 69 per cent of women's jobs: 33 per cent do clerical tasks (6 per cent for men); 23 per cent are in catering, cleaning and hairdressing (3 per cent); and 13 per cent are in health, education and welfare (5 per cent). Two-thirds of women are employed in jobs done only by women and 80 per cent of men in jobs done only by men.

Women are poorly paid partly because of their own low aspirations. About 40 per cent regard their jobs as "women'a work," many describing them as too badly paid and too boring for men. Many still regard their job as secondary to their home and children and are willing to sacrifice pay and status for convenient hours. The fact that only a few women pay to hava their children looked after while they work may indicate a lack of institutional child-care centres that is reducing their opportunity for full-time work. At present, the interruption caused by child rearing means women miss promotion opportunities, frequently returning later to humdrum jobs.

Legislation

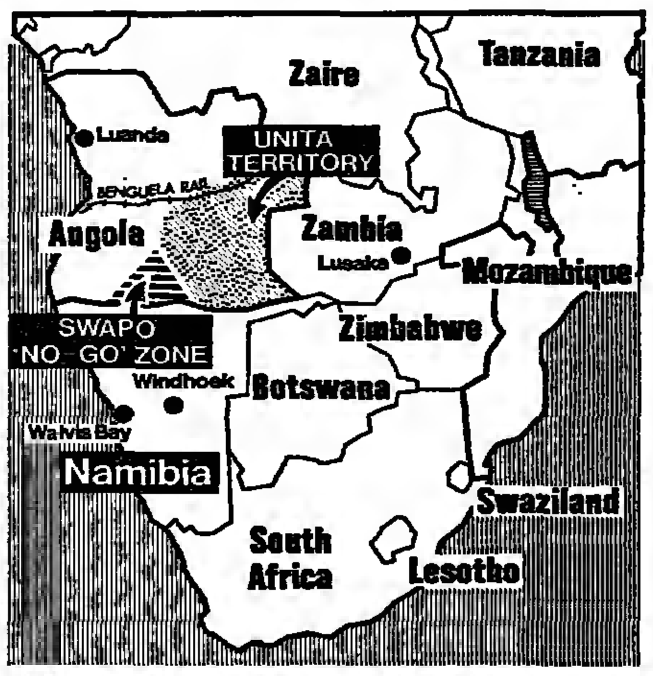
Further legal action to improve woman's lot seems undesirable. The equal opportunity legislation of the 1970s achieved a good deal: surprisingly, more women cite its educational provisions as "very important" than the equal pay law itself — presumably because attitudes to work are formed at school.

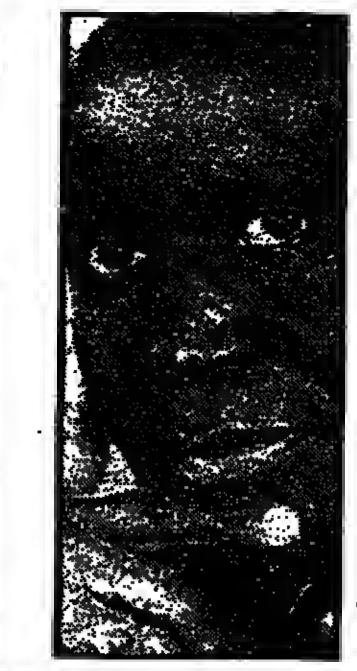
Employers might find it instructive to ask themselves what proportion of their staff are women, especially in managerial posts, and why it is not higher. But in time as is already evident in America, the momentum of the social revolution chartered by the DoE will carry women into more of the better jobs currently monopolised by men.

NAMIBIA'S FUTURE

Towards the Pax Afrikaner

By Michael Holman, recently in Windhoek





P. W. Botha (left) and Kenneth Kaunda (right): key architects of the "African initiative" in Namibia

WITH his bullet-tipped baton, the South African colonel at military headquarters, Windhoek, marked out on a briefing room map the new realities of the 18-year-old war for the independence of Namibia (South West Africa).

By next week South African forces should have completed a pull-out from anti-guerrilla operations in Angola, Namibia's northern neighbour. In return, under a disengagement pact signed last February, the Luanda Government has excluded guerrillas of the South West Africa Peoples Organisation (Swapo) from a huge arc of territory in the south.

The result is a serious military setback for Swapo. *Its* bases have been pushed back deep into Angola territory, and the effective no-go zone cuts off the several hundred guerrillas operating in Northern Namibia, leaving them especially vulnerable to a South African force of 15,000 or more concentrated in the border area.

It also provides the impetus to the complex round of negotiations now under way which, for almost the first time since the conflict began, offer a realistic hope that Namibia's independence is within reach. This is the prospect that Mr P. W. Botha, South Africa's Prime Minister, will hold out to European leaders in his eight-nations tour *this* week.

Both Angola and South Africa urgently want to take disengagement one step further—a resolution of the Namibian conflict itself. And amidst indications of Pretoria's willingness to settle (albeit on tough terms), Swapo is slowly being compelled into a negotiating process not of its own choosing.

A settlement in the mineral-rich territory, the size of France and Britain combined but with barely a million people, will conclude the decolonisation of Africa and ease tensions in a region bedevilled by wars of independence for the past two decades, during which the major powers heve taken opposing sides.

When Mr Botha meets his British counterpart, Mrs Margaret Thatcher, on Saturday, he is likely to argue that Namibia's independence will emerge from a regional, African solution. Much downgraded will be the role of the five-member western contact group (Britain, the U.S., Canada, France and West Germany), which over five years has vainly attempted to bring ebout the implementation of Security Council resolution 435, the UN settlement plan for the territory.

The public manifestation of the "African initiative" took place in the Zambian capital, Lusaka, earlier this month. As flash cameras popped and a dancing troupe alomped awey on the lawns of State House, three figures posed for a group portrait which at the turn of this year would *have* been unthinkable.

In the centre stood president Kenneth Kaunda, an increasingly important Southern African mediator. On his right, the bearded Mr Sam Nujoma, Swapo president and still in the eyes of Pretoria a "terrorist leader." And on his left, Dr Willie Van Niekerk, the *de facto* governor of the territory ruled by the Republic in defiance of successive UN resolutions.

Barely 72 hours later the conference, which included representatives of Namibia's so-called internal parties, ended inconclusively without agreement on a draft declaration committing participants to a ceasefire in the war and implementation of Resolution 435.

But behind the conference was e series of developments likely to ensure that the momentum is maintained.

Central to these *is Pretoria's* conclusion that ultimately its borders are best secured by a series of non-aggression pacts with its black neighbours. These states, battered by economic recession, the worst drought this century, and in some cases internal dissent encouraged by Pretoria, are in no position to provide *military support* to white South Africa's leading opponent — the banned African National Congress.

Whether it be the formal non-aggression pact signed with Mozambique last march, and Swaziland two years ego, or the *de facto* understandings with Botswana, Lesotho, Zimbabwe and Zambia, the overall impact is the same: South Africa's defensive perimeter is being extended, and black Southern Africa's trade and transport dependence on the Republic reinforced.

South Africa is not, howevar, negotiating from a position of absolute strength. It, too, has been hit by the drought, which, combined with tha low price of gold and other mineral exports, has left the Republic in the grips of a severe economic recession.

These domestic concerns are among the reasons for Pretoria's desire to complete the final section of the perimeter yet to be secured under tha new strategy—Namibia. The conflict has become costly, R800m (£451m) on military, and R560m on budgetary, support and an embarrassment to South Africa's efforts to break out of its laager and secure the international respectability being sought by Mr Botha on his current tour of Europe.

Nor, it is increasingly clear, is there the option of an "internal settlement" that excludes Swapo. Despite years of efforts to boost the authority and popularity of the internal parties, Pretoria has failed to marshal a credible internal coalition. South African diplomats themselves privately agree with the assessment of most observers: Swapo would comfortably win independence elections.

Earlier this year came the signals suggesting e new flexibility in Pretoria's approach to Namibia.

The biggest obstacle to a settlement has been South Africa's insistence, with U.S. backing if not instigation, that the withdrawal of 20,000 Cuban troops in Angola was a precondition to implementation of Resolution 435.

In Parliament last April, Mr P. W. Botha appeared to open up the possibility that the Cuban issue might be sidestepped.

Behind the scenes at the Lusaka conference itself, and in the days that have followed, it is apparent that there is a price for this apparent new flexibility. At first it seemed that the *quid pro quo* was a substantial reduction of the role of the UN, profoundly distrusted by Pretoria in the transition to independence.

> If the unravelling of Resolution 435 is under way, then months of complex negotiations lie ahead

Resolution 435 envisages a 7,500-strong UN military and civilian force in the territory during the sevan months run-up to elections. Was such a massive contingent really necessary, asked diplomats from Pretoria and some of the African front line states?

After all, they pointed out, the successful disengagement of South Africa's troops from Angola under the supervision of the Joint Military Commission (JMC) drawn from the two countries showed what an African force could do.

Could not the JMC, they wondered aloud, boosted by units from other front line states (Zambia, Botswana, Tanzania, Mozambique and Zimbabwe) take over the role assigned to the UN?

Suddenly Resolution 435 seemed negotiable. The plan over which the Western contact group had spent years of negotiation, attempting to get South African and Swapo acceptance was not the irreducible blueprint it once seemed.

Thus emerged the tentative start to "de-linking" the vexed Cuban problem from a Namibia settlement: a regional solution which took precedence over the Cuban pre-occupation.

But it has met with a sceptical response from Washington. There appear to be two reasons. First, there is a strong suspicion in Southern African capitals that the U.S. is reluctant to see its oft-professed demand for Cuban withdrawal suddenly appear irrelevant. As President Kaunda put it in an interview with the Financial Times, it would be "inhuman for the Reagan Administration not to be affected. If linkage had been cut off it would have made their stand null and void."

But American concerns go beyond this. "The danger of what is happening," said a senior U.S. diplomat, "is that Resolution 435 will unravel and neither the front line states nor Swapo can be sure of where that will end."

The U.S. concern may be well founded. There are increasing indications that South Africa is going to want further concessions. A critical issue beginning to surface involves the timing of the drawing up of e new constitution.

Under Resolution 435, the independence constitution will be drawn up *after* elections to a constituent assembly. Pretoria may want to reverse this process.

Would it not make more sense, senior South African diplomats suggest, to negotiate the constitution first, at an all party conference held under the auspices of the UN if necessary, and then conduct elections—as was done, they point out, in Rhodesia.

Pretoria's strategy seems clear. At such a conference the internal parties would be negotiating for a constitution which had constraints on the powers of the expected Swapo government.

If the unravelling of Resolution 435 is under way, then months of complex negotiations lie ahead. One of the most serious threats to their success is the probable existence of a school of thought within South African military and foreign affairs that the objectives of the Pax Afrikaner should go beyond Namibia into Angola itself.

The ultimate target, this school would hold, is a government of national unity in Luanda comprising the ruling Marxist MPLA, forced to modify its stance by an alliance with Unita, the guerrilla movement backed by South Africa which is led by Dr Jonas Savimbi. Unita's activities here have spread in recent months well beyond its southern Angola bases.

An early settlement in Namibia—which, many observers believe, would mark the end of Pretoria's support for Unita—would see a gradual easing of the MPLA's military problems and thus erode any case for a coalition. Allow another year, some argue, and Luanda will for economic and military reasons be forced to order a Cuban departure in the process of coming to terms with Unita.

All tha evidence suggests that this is a minority view, and there is substantial backing in Cabinet and higher echelons of the military for a settlement. "We believe that at the end of the day Mr Botha will put a Namibian settlement before support for Savimbi," said one African diplomat.

Within Namibia itself it is difficult to find a consensus on the future among the 30 or more registered parties, which range from the right wing, all-white equivalent of South Africa's Nationalist Party to Swapo itself, which is allowed to function, albeit with restrictions.

What they all agree on, however, is that e new government will inherit an economy in severe difficulties. Citing depressed mineral prices, no new mining development and little prospecting for new resources, the president of the country's Chamber of Mines told its annual general meeting last April, that "only e political settlement, which would attract capital, will seve the country from Third World penury."

The diplomatic rounds will continue for some months yet. "But I am prepared to wager a magnum of champagne that Namibia will have internationally recognised independence by the end of 1985" said one South African diplomat.

Given the complexities of the problem, that time scale is probably about right.

A strain on relations

Those two stout defenders of capitalism, the Confederation of British Industry and the Institute of Directors, no longer hurl insults at each other. Certainly not: those days are over—indeed, they never existed.

It is simply that, by tha meerest chance, the strangest of coincidences, both bodies are staging conferences on industrial relations on the same day, June 21. Both will, of course, be designed to attract the senior executives interested in the issue — not a fathomless pool these days.

And further, it just occurred to David Burnside, the shy and retiring Press director of the IoD, that he might mention en passant that while the CBI had managed to capture John Selwyn Gummer, the Employment Minister, to dilate on "Ballots, industrial relations and the new legislation," the IoD had his boss, Tom King, Employment Secretary.

And, wholly in the spirit of friendly rivalry, Burnside thought it *might* be of interest that whereas Gummer was no doubt an excellent speaker and so forth, King would be teamed with Eddie Shah, the publisher of the Stockport Messenger and bogey of the National Graphical Association. Sparks flying there, eh? Relevance to the mineworkers' dispute perhaps?

But it's a *terrible* pity they clash.

Off for a ride

This column's efforts to make further inquiries of the British Telecom Share Information Office, grandly located in the City of London, about plans for the great November £3,500m share issue faltered at the start yesterday.

My home telephone resolutely refused to connect me anywhere except into a fascinating conversation between two women, which can have no place in the columns of this newspaper.

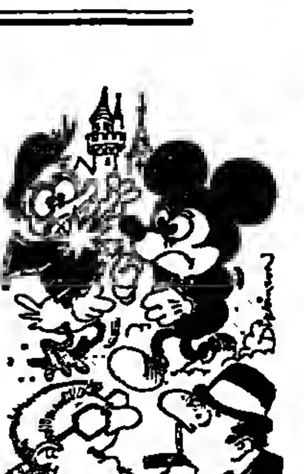
British Telecom's financiers look like having more fun than its humble customers during the coming weeks. Today an assorted collection of brokers, financial strategists, merchant bankers, and other money men, take their seats in the British Telecom Exhibition Train to begin a grand tour of Britain.

For 8 weeks they will whistle-stop through the nation "from Plymouth in the south-west to Aberdeen in the north east" visiting 17 cities and whetting appetities for parcels of the BT shares.

Martin Jacomb, vice-chairman of Kleinwort Benson, advisers to the government on the forthcoming sale, says the programme is designed "to increase the momentum of the campaign over the coming months so as to giva an unprecedented number of peopla the opportunity of owning a part of a familiar organisation . . ."

Sixteen firms have been appointed as regional co-ordinators for marketing the issue. BT will even try to ease the pain of telephone bills sent out during tha coming months by enclosing cheery notes pointing out that a slice of the action could be yours.

Men and Matters



"The Disney boardroom battle is certainly hotting up"

High places

A more practical opportunity for British Telecom to show its expertise and competence—or lack of it—comes with the economic summit in London next week.

More than 3,000 journalists and broadcasters are expected to be reporting the words of wisdom that emanate from Lancaster House—and relying on BT to relay them to various corners of the world.

It is a challenge which, BT says, it has been glad to seize and it has set a special task force to work on providing the services for the Press base, at the Connaught Rooms, and the delegates at Lancaster House.

More than 130 TV sets have been installad, served by a 16-channel closed circuit system relaying events and information. News bulletins from Europe, Japan and the U.S. will be on view as well as the four UK services.

The Cellnet radio mobile telephone system, due to open next year, will be given a pilot run for the occasion. Users will be able to make and receive calls from cars or hand-held radios in the London area.

There will be 4,000 mail boxes for reporters, 200 payphones, 50 telex machines, four facsimile machines and three microcomputers.

British Telecom's operation to get the words out is only being matched by the efforts of the Metropolitan Police to prevent unwelcome intruders getting in.

Sour notes

The tense relationship between the Berlin Philharmonic orchestra and its permanent conductor for the past 28 years, Herbert von Karajan, has come to an open break.

The maestro has told his musicians that he will not conduct them at their traditional performance at the Salzburg festival in June. The word is *that instead he will wave his* baton before the Vienna Philharmonic — which to the Berliners would be adding insult to injury.

Von Karajan's move has been dictated by the decision of Sabine Meyer, his choice last year for a one-year trial as clarinettist with the Berlin Philharmonic, to leave the orchestra after the trial period.

She said she did not want her presence to cause ill-will between the orchestra and its conductor.

The musicians, who have the right to veto the choice of new players, and who are all male except for one woman violinist, were prepared to give a thumbs down on the attractive Sabine Meyer.

She, however, is but the innocent victim, says my man in Berlin, the real feud being between the orchestra and its director Peter Girth, who enjoys von Karajan's full support.

The orchestra has demanded Girth's resignation but von Karajan is refusing to budge. He has an array of weapons at his disposal to get the orchestra back into line, including depriving the musicians of their lucrative extra income from performing in von Karajan's own video and record productions.

War of words

The U.S. Marine Corps, it seems, is preparing to fight its future battles on some strange territory. The "Armed Forces Journal" reports that the Corps now has 243 infantry platoon leaders—and 357 lawyers.

No satisfactory explanation is given for this curious recruitment policy. The journal asks plaintively: "Has Congress passed so much legislation . . . that it takes half a battalion of lawyers to make sure the Corps' work to defend our country does not violate one law or another?"

Or, it muses, is the pen finally mightier than the sword?

Observer

ECONOMIC VIEWPOINT

A new look at the Depression

By Samuel Brittan

EVER since the 1930s prophets of doom have been eagerly looking forward to a repetition of the Great Depression. One does not have to be of their number to find lessons in the events leading up to that Depression.

We are better able to do this as a result of a new study by a French economist, Christian Saint-Etienne, entitled *The Great Depression, 1929-38. Lessons for the 1980s* (published by the Hoover Institution, Stanford). In part he subscribes to the familiar Friedman story of an ordinary business cycle which was turned into a depression by the failure of the Fed to support the U.S. banking system and prevent a collapse of the money supply.

But he adds some important new elements in explaining why the threat to the banking system arose in the first place. He puts particular emphasis on two factors: (a) the outstanding loans to central Europe, which become in modern jargon "non-performing" and (b) the lurch *into protectionism by the U.S.* through the Smoot-Hawley tariff of June 17, 1930, which met with almost instant retaliation abroad. In terms of policy analysis he puts the emphasis on the *instability* of the demand for money in periods of crisis and uncertainty, and the need for central banks to be ready to meet sudden demands for liquidity without going off on an inflationary course.

Any study of the Depression must start with the years up to 1929, which appear much better in the light of present knowledge than they did to contemporary observers. The long *upturn in the* U.S. from 1925 to 1929 was *not* inflationary, but only seemed so in the light of the Wall Street boom and crash of 1928-29. In fact both wholesale and retail prices were falling gradually.

There were two flies in the ointment. The first was the structural difficulties of certain industries. U.S. agriculture did not share in the general boom; the terms of trade between farmers and other producers, which had been bloated by World War I and its aftermath, fell back to normal with a thud; and there was a further severe fall in the price of wheat and cotton in the later 1920s.

Agricultural tariffs were an issue in the 1928 presidential election; but the Smoot-Hawley tariffs were not only greater than Hoover wanted, but extended from cotton, wheat and other foodstuffs and raw materials to manufactured products such as cotton, wool and silk. The net result was to increase average U.S. tariff protection by 50 per cent above that of the late 1920s.

No less than 1,000 economists wrote to the *New York Times* to protest, in a better cause than the 364 British economists who protested against Government policies in 1981, but to no more effect.

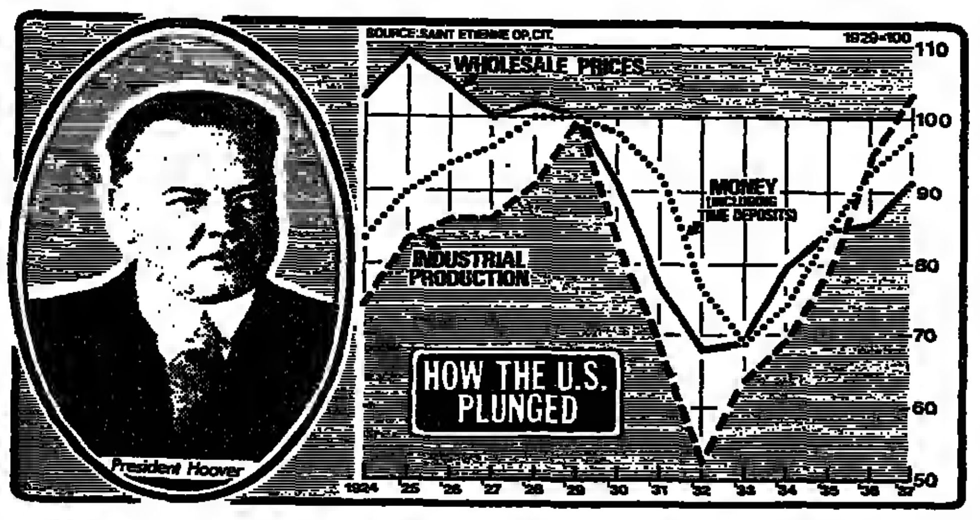
(If this story of U.S. farming seems a distant tale, take a look at *Farming in the Clouds* (Temple Smith, £3.50), a book by an unorthodox Tory MP, Richard Body, himself a farmer. Price and fiscal support now amounts to almost twice UK farm net incomes; and farmers are extremely vulnerable to the price curbs or quotas likely as European taxpayers revolt at the cost).

The Smoot-Hawley tariffs destabilised the world economy, increased uncertainty in the U.S. and interacted perversely with monetary policy. Until the first quarter of 1930, the U.S. recession, which followed the Wall Street crash, was no more than a normal business cycle downturn. Moreover, the quantity of money, however measured, did not begin to plunge until March 1931.

But in the prevailing uncertainty, the demand for money balances increased early in 1930, and the Fed should have stepped in to satisfy demand, instead of letting the depression gather force. In the author's words: "If the Fed had pumped money into the system in the second quarter of 1930 and kept the money stock increasing slightly thereafter, and if Hoover had vetoed the tariff, there would probably not have been a Great Depression."

Partly as a result of the tight domestic financial position, the outflow of U.S. capital dried up. *This was* a *body blow* to the central European economies which were heavily dependent on overseas credit and in a fragile state following the wrong-headed dissolution of the *unified market of* the Hapsburg Empire.

On May 12 1931 the Austrian Government had to guarantee the deposits of the Creditanstalt, home and overseas, an event which called attention to the fragility of the German banking system. On June 5, Germany discontinued reparations; and after the closure of the Donat Bank on July 13 several other German banks imposed withdrawal limits on depositors. Meanwhile, foreign creditors concluded *standstill* agreements on debts with Germany, Austria and Hungary.



The financial crisis in central Europe was the proximate cause of the run on sterling and the National Government's decision to float the pound on September 21 1931.

In contrast to many other writers who criticise the Bank of England for holding on to the parity too long, M Saint-Etienne criticises it for not raising Bank Rate enough to save the pound. Sterling did indeed drop by almost 25 per cent against the gold currencies; and after the British departure from gold, Bank Rates rose in Europe, and 30 countries imposed import controls or foreign exchange restrictions.

There then followed a run on the U.S. gold stock to which the *Fed* reacted by a record rise in the discount rate, which worsened the gathering storm of bank failures. These continued off-and-on until President Roosevelt's "bank holiday" of March 6 1933 and the subsequent U.S. departure from gold.

My first reaction to these criticisms of the British floating was to think: "Thank heavens that major currencies are *already* floating, so we can avoid the sharp adjustments which occur when currencies are suddenly unpegged." But my second reaction was to recall that there is a currency now supported at an artificially high level, even though it is floating—namely, the U.S. dollar. Could not a sudden drastic drop in the dollar provoke a similar reaction among America's trade competitors, already worried by unemployment to the fall of sterling in 1931?

* * *

How do "The Great Stagnation" of recent years and current financial worries appear in the light of events in the early 1930s.

International trade is now much more important. Exports accounted in 1980 for nearly 30 per cent of the European Community's GDP, compared with 14 per cent in 1929. Even in the U.S. the proportion is now 10 per cent, compared with 5 per cent on the eve of the Depression.

In itself the greater openness of the world economy is beneficial. But it does mean that the consequences of a lurch into protectionism could be much greater.

A further unfavourable comparison is that the Smoot-Hawley tariff increases were signed by President Hoover on June 17 1930, when the U.S. was enjoying a current payments surplus amounting to 1 per cent of GDP. Today's payments *deficit* amounts to 2 per cent and is rising. Most of the new ideas coming from President Reagan's critics for a so-called industrial policy amount to protectionism in not-so-thin disguise—with Mondale much further along this bad route than Hart.

There was, moreover, nothing before 1932 corresponding to the massive structural U.S. Budget deficit of today. Nor was there the fear—and real danger, *at least* in the *U.S.—of* reviving inflation which makes anti-depression policies so much more difficult.

The analogy between inter-war central European and current less developed country (ldc) debts hardly need emphasis. Indeed ratios of external debt of Latin American countries to exports are much higher than in Germany before the collapse of 1931.

There are however some crumbs, even morsels, of comfort. One is that protectionism today is of the creeping and backdoor variety, rather than the sudden lurch liable to provoke dramatic retaliation.

The other is that the Fed has indeed been ready to meet sudden demands for liquidity; and when the unexpectedly deep U.S. recession of 1982 was *associated with* a *fall* in the velocity of circulation, the Fed did not hesitate to abandon for a six to nine month period its monetary guidelines and brave the wrath of the stricter monetarists. More recently events since the Continental Illinois crisis have shown that the Fed is ready to stand by the U.S. banking system; any worry is that it may do so a little too much, rather than much too little as in the 1930s.

* * *

More important than crystal-gazing is to try to derive some policy pointers from the years leading up to the Depression. May I suggest five?

1—The banking and monetary system is a public good—not just like any other business. A simple monetary growth rate rute is inadequate in times of strain and stress. However difficult, policy must concentrate on the movement of money times its velocity, which involves stabilising the Nominal National Product (money GDP), and people who dismiss this as someone's hobby horse are simply showing their own unawareness.

2—Vast and sudden changes in the structure of demand are to be avoided in times of stress. A sudden replacement of export by home demand, or ldc demand by orders from industrial countries, may be simple in a general equilibrium world, but has enormous political and adjustment costs. This means some concessions to ldcs to avoid default.

3—Although the above may be an argument against an overnight dash for complete free trade, it is not an argument for avoiding adjustment—in farming, European heavy industry, or whatever other sectors are artificially supported; and the longer the delay the greater the eventual cost, not least to employment.

4. The argument for liberal trade policies and *phased* moves to free trade needs to become less pious and more sensational. A cut in imports is also a cut in exports, whether or not there is retaliation. If Western markets are denied to ldc exports, e.g. to Brazilian steel, the borrower will have no choice but to default.

5. Without resort to the blind alley of exchange or credit controls, we need to find a way to restrain the financial tail from wagging the dog of the real economy quite as much as it does today.

Lombard

Bad men in silk hats

By Anthony Harris

AMERICAN political cartoonists, who are some of the *shrewdest* commentators *in* print, used to depict bankers as fat, evil men dressed in silk hats, clutching cigars between their lips and moneybags in their hands. Bankers naturally resented this; after all, they gave up wearing silk hats years ago, and only the managers of five-and-dimes carry money in bags any more. So the cartoonists have brought their pictures up to date; the U.S. banker of the 1980s has lost weight, his hat, his cigar and most of his hair. He carries a bulging briefcase, and he looks bemused.

In short, the mood has shifted from distrust to contempt with no intervening stop; the nation which has long made bank robbers into folk heroes has never learned to respect bankers, who may by now feel some nostalgia for the days when they were seen as fat and powerful. This is no longer just a question of self-esteem, either. American bankers and their apologists argue that the American folk prejudice against bankers is an operational cause of their present liquidity problems.

The reasoning is simple enough. Banks in other countries, they argue, can open branches and seek deposits wherever it pays. U.S. banks are restricted to their home state—and sometimes, as in the unhappy case of Continental Illinois, to a single branch. The ambitious therefore have to build their empires on a dangerously narrow base of their own deposits, and borrow the rest of their funds from other banks with less imagination. Readers who have been shaving for more than a decade will recognise the method: it is that of our own secondary or "fringe" banks of the early 1970s.

As a statement of fact, this cannot be faulted; but what conclusions can be drawn from it? The one which the bankers suggest—that they should be freed from these archaic restrictions—does not seem to me self-evident. It amounts to arguing that American bankers should be allowed and encouraged to bid for the widow's mite wherever it is to be found, not because they are so trustworthy but because they are so shaky. The U.S. Congress, which is as soft-hearted towards widows as it is hard-hearted towards bankers, may find it hard to agree. The present banking crisis seems likelier to set back the cause of banking "reform" than to urge it forward.

The Congressional instinct seems to me a sound one. The fault, as a literate banker might confess, is *not in our stars*, dear Brutus, but in ourselves. Those who did not tailor their operations to their resources—or at least, like a London accepting house, run a reasonable balance of maturities—cannot blame anyone else for the consequences. Except, perhaps, their fellow-bankers.

The real trouble is that the interbank market can always prove a quicksand, offering an illusion of unlimited access to funds which lasts only so long as sun shines. The Bank of England, in the dear old days before it was converted to go-go finance, understood this very well, and did everything it could to prevent the development of an interbank market. The discount houses, with their ears supernaturally attuned to the faintest tremor of trouble, handled the interbank flows. In the U.S. the Federal funds market was—and remains—unrewarding, as the Fed was careful to ensure.

Then came certificates of deposit, consortia, syndications, *offshore operations* and the whole bag of conjuring tricks, and we were in the world of illusion. The Fed's blind eye to the Euromarkets, and a period of permissive U.S. monetary policy, ensured that U.S. banks were sucked in further than anyone else. Hinc illae lacrumae, if I may be literary again.

Actually, most American bankers would find this a fair and even attractive picture; for most American bankers run small, regional banks, know their parishes, and do much to finance American buoyancy. They are hugely enjoying the discomfiture of the money-centre banks. I hope they have the last laugh.

Letters to the Editor

Competing with British Airways

From the Chairman and Managing Director, Horizon Travel

Sir,—On behalf of the Airport Users Study Group consisting of Thomson Travel (Britannia Airways), Intasun (Air Europe) and Horizon (Orion Airways), may I comment on Lord King's letter (May 29).

At the moment whole plane charter is the only market in British aviation which is fully competitive. It is full and fair competition that has allowed our companies to develop and that we wish to see continue. We would dearly like to be allowed to operate on the international scheduled services, but experience shows that only the least attractive routes are made available, the market being tightly controlled by governments and the IATA cartel.

Capacities and prices on the routes are fixed by bilateral agreement between the respective airlines of Britain and the *other country involved*. Not surprisingly, European scheduled air fares finish up at about double those for similar distances in the United States, where competition prevails. Questionable reasons for this are conjured up, questionable because charter fares in Europe compare very favourably with scheduled fares in the United States.

I have seen no indication whatever of any willingness on the part of British Airways to share with other British airlines licences on scheduled trunk routes or international access to Heathrow. Again, this is not surprising, as these privileges are extremely lucrative and are enabling British Airways to earn profits of hundreds of millions of pounds a year. Our view is that it is quite unfair to give monopoly powers on the most lucrative routes to one airline and then give it the opportunity of running amok in the completely open charter market.

The comparison of British Airways and Thomson Travel is not relevant, as International Thomson operates in highly competitive environments in oil and publishing and does not have the benefit of a vast fleet of aircraft on scheduled routes which it can deploy on a marginal or predatory basis in the charter market.

Lord King says it is "nonsense" to suggest that British Airways might dump seats. Surely he must know that they are doing it right now, firstly by off-loading 18,000 unsold *charter seats* at *way below cost* to a travel agency group and secondly by being the only company to offer free holidays for children in the high season in an effort to dispose of a *further* 40,000 seats. We also understand that they will be putting six additional Tri-Stars on to the market in 1985, aircraft whose capital value has presumably been written off among the near billion pounds deficit declared by British Airways two years ago.

The best solution would be for us to be allowed to compete with British Airways on the international scheduled routes. *But, if* those are to remain a cartel, we believe it to be wrong that British Airways should be put in a position where it could wreck a market where for a long time open competition has given the public the benefit of excellent service and value for money.

B. W. Tanner.
Broadway,
Edgbaston Five Ways,
Birmingham.

Changes in pensions

From the Chairman and Managing Director, Godwins

Sir,—It was refreshing to read your leader on pensions (May 25) which struck a realistic balance between the simply stated objectives of those urging reform and the practical consequences which might flow from implementing some of the changes currently being considered.

I should like, however, to highlight your comments on transfer values as I believe they could be misunderstood—in particular the comment that "actuaries . . . can disagree radically over the true *'actuarial'* value *of* a given set of contributions."

I do not take issue with your suggestion that actuaries disagree! I am one and I do! What concerns me is what the layman believes we are disagreeing about.

When assessing the amount of a transfer value the actuary should be assigning a value to the leaving service benefit to which the employee would be entitled if the scheme which he has left did not pay a transfer value. Except in a money purchase scheme it is not a "value of a given set of contributions": *it* is the current *capital* value of a defined deferred benefit.

I would argue that the correct figure is the market value of the deferred benefit and, of course, I could not agree with any actuary who argued otherwise!

By analogy *if* I have spent annually amounts of money to purchase dated gilt-edged stocks, the value at which today I should be prepared to transfer their ownership to someone else is not a function of what I contributed to buy them: rather it is the current value of the future payments which they will yield and I would suggest this in turn is their market value.

It may appear *churlish* to take issue with one small comment in an otherwise excellent leader. There is, however, already widespread misunderstanding about transfer values and it would be a pity if, unwittingly, you were to compound it.

D. J. D. McLeish.
Briarcliff House,
Kingsmead,
Farnborough, Hants.

Look at the tariff

From the Director of Services, Energy Users Research Association

Sir,—The overall average price paid for electricity over all 12 electricity boards in England and Wales in the quarter up to April 1984 for extra high voltage, high voltage and low voltage supplies was 3.71 p/unit. The high voltage night rate (off peak) for the same 12 boards was 1.71 p/unit.

In the last 12 months the overall price fell 0.8 per cent while the night rate price rose 2.4 per cent. The electricity supply industry makes no secret of these figures. It supplies them to us regularly as information for our members. Other energy suppliers do the same.

The tariff and tariff structure varies widely from Board to Board. The electricity supply industry *is highly* capital intensive. Also, electricity as such cannot be stored, and the industry has to reconcile this with the fact that demand is exceedingly variable. The industry needs to manage demand and tries to do this through the tariff structure. Tariffs are designed to encourage consumers to manage their load pattern.

Management of your own load, exploiting the tariff structure to your own benefit, is extremely worthwhile to do financially and is actively encouraged by the electricity Boards. The Boards will give free advice on tariff selection. What is more, the available technology to enable us to do this has improved dramatically in the last two or three years. Sound advice to electricity consumers is not to look at the price, but to look at their own buying pattern.

(Dr) P. S. Harris.
PO Box 97,
Altrincham, Cheshire.

Local authority budgets

From the Treasurer, Durham County Council

Sir,—In his article about the Rates Bill which appeared on May 21, Mr Robin Pauley states "*Local councils* have *exceeded* their budgets by about £850m this year . . ." This is surely a slip of the pen in that the words "their budgets" should read "the government targets." Despite the continuous (and unfounded) criticisms by central government, the financial control exercised by local authorities effectively prevents overspending in relation to their plans for services as provided for in *their budgets. In my* experience the tendency is for local authorities to marginally underspend on their budgets.

A Beresford.
County Hall, Durham.

Internationalism and the national interest

From Mr F. Silvester, MP

Sir,—Malcolm Rutherford's article on "Internationalism" (*May* 11) deserves more attention than it has so far received in your correspondence columns.

The present international scene is gloomy, but Mr Rutherford's analysis amounted to little more *than an exhortation* to pull our socks up. I doubt whether such an approach will get us very far. He builds on the premise that nationalism "is, in fact, a retreat into the past." It is a familiar enough refrain to hold that internationalism is "good" and nationalism is "bad." This is a false and dangerous view. National sentiment is not going to disappear, at least not in our lifetime. Nor is it always evil. Successful international co-operation cannot grow unless we start with the recognition that nationalism is not going to go away, and that it has stimulated *some of the* most glorious as well as the most vile products of the human spirit.

Professor Watts defines internationalism as "a sense of interconnectedness." There is no conflict between nationalism and this kind of internationalism. Traditional international law has long been based on a reconciliation of national interests. If the only way to tackle diplomatic status, or terrorist attacks, or acid rain is through international co-operation, then it would be a perverse nation that refused to co-operate. The attitude of the U.S. and the UK to the Law of the Sea arises because the proposals do not adequately represent this necessary balance between contribution and benefit. More widely, it is not true to say that practical internationalism of this kind is on the decline. International agreements, particularly regional agreements, multiply.

If internationalism has declined, the cause lies substantially in the hands of those who regard themselves as most international. The really interesting element in the Unesco saga, for example, is not that the U.S. eventually *got fed* up, but that the Foreign Office and other friends of the organisation remained silent about conditions there for so long. Those who have internationalism at heart *should be the first to expose* and cut out its less attractive features. The practical and idealistic base on which Internationalism depends is being eroded by polemic internationalism. Nowadays, agreement is pursued not in order to achieve a compromise for mutual benefit, but in order to advance one particular world view—whether it be a world economic order, a *world* information order, or a standardised global concept of human rights.

The Olympic Games have been caught in this cross-fire. The idealism that originally motivated them fed on the belief that in the coming together of individuals of different nationalities for common purposes something beneficial would rub off. In this view, it is joined by the Boy Scouts, the Eurovision song contest or an international conference on sewage disposal. Such internationalism seeks neither to regulate nor direct but to understand. Moving the Games to Athens will not help, while we remain concerned about the political origin of the competitors.

Internationalism requires a combination of individual idealism and the reconciliation of national interests. The internationalist should abandon the pursuit of common behaviour and standards and seek instead the maximum co-operation between separate and often disagreeable nations. Only then will progress be resumed.

Fred Silvester.
House of Commons, SW1.

FINANCIAL TIMES

Thursday May 31 1984

GOVERNMENT UNDER PRESSURE FROM UNIONS OVER AUSTERITY PLANS

Bolivia suspends debt payments

BY HUGH O'SHAUGHNESSY IN LONDON

THE BOLIVIAN Government of President Hernán Siles Zuazo yesterday decreed a temporary suspension of principal and interest payments on $1.05bn due to foreign banks.

It pledged, however, to maintain payments to governments and international financial institutions. The government is anxious to keep these latter payments to no more than 25 per cent of export earnings, which were about $746m last year.

Bolivia's total debt to all foreign creditors is put at about $3.5bn.

Sr Siles took the decision to make a further halt to foreign debt payments – one of a series thet have taken place in the past few years – under extreme pressure from the COB trade union federation in a bargaining session which lasted until 2 am yesterday.

Sr Hernán Siles Zuazo

The session was resumed yesterday as the COB sought a general 130 per cent wage increase to offset the recent rise in inflation. The government has been offering no more than 100 per cent but is expected finally to settle at the higher figure.

The COB wants a minimum monthly wage of the equivalent of $75. The COB leader, Sr Juan Lechin Oquendo, a fierce personal opponent of Sr Siles, has brought 500 labour leaders out on hunger strike, the government has only the most tenuous control of the Central Bank where bank workers have been on strike and the television station is refusing to broadcast government statements.

The COB is protesting against the austerity measures suggested by the International Monetary Fund and decreed by the president in April which included a devaluation of the peso from 500 to 2,000 to the U.S. dollar.

The events in La Paz are being followed closely by other Latin American governments as they chart the fortunes of a democratically elected regime seeking to impose further austerity on an already hard-pressed population.

Peter Montagnon adds: Bolivia's statement thet it was temporarily suspending debt service payments to private creditors came as no surprise to international bankers, who have received no interest payments from La Paz since last March.

Since its debt was first rescheduled three years ago, Bolivia has made only sporadic interest payments. This has passed largely unnoticed in the banking community because the amount of bank debt outstanding of about $1bn is relatively small.

At e meeting on May 9 leading bank creditors pressed Bolivia to establish a proper schedule for its foreign payments but most bankers have long accepted that the country's acute foreign exchange shortage and the political problems facing President Siles make this extremely difficult.

The U.S. authorities have already urged U.S. banks to make loan loss provisions against their Bolivian exposure.

Bankers regard Bolivia as a special case and say its problems are unlikely to affect rescheduling talks now under way for larger Latin American debtors.

Two UK banks head loan exposure table

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

MIDLAND, and Lloyds, two of the large UK clearing banks, have a proportionately greater loan exposure to Latin American countries than any of the large U.S. banks, according to an analysis by de Zoete & Bevan, the London stockbroking firm.

This finding counters the widely held view that the U.S. banks are the most vulnerable to the Latin American debt crisis.

The top U.S. and UK banks' exposure to all of Latin America except Mexico at the end of 1983 as e percentage of their shareholders' funds was: Lloyds 228 per cent, Midland 213 per cent, Manufacturers Hanover 165 per cent, Chase Manhattan 147 per cent, Citicorp 124 per cent, NatWest 100 per cent, J.P. Morgan 96 per cent, BankAmerica 87 per cent, Barclays 75 per cent.

The UK bank figures were adjusted for the comparison by de Zoete's analysts to conform to U.S. accounting principles. The figures are at best a rough and ready guide, they say, but give a useful indication of how U.S. and UK banks rank alongside each other.

Midland's heavy exposure comes from Crocker National Bank, its 57 per cent-owned Californian subsidiary. Lloyds has traditionally been a heavy lender to Latin America

NatWest and Barclays have made fewer loans to Latin America and both have a larger capital base, which reduces their relative exposure.

The UK banks' position has probably worsened since the end of 1983 because of the big dent made in their shareholders' funds by the budget decision to phase out capital allowances.

UK bankers said last night, however, the figures did not come as a surprise and reiterated past assurances that they believed the Latin American debt problem could be handled.

See Lex

Continental Illinois may need long-term Fed help

By William Hall in New York

THE FEDERAL Deposit Insurance Corporation (FDIC) will probably have to provide long-term financial aid to any prospective merger partner for Continental Illinois, the eighth biggest U.S. bank. The bank ran into liquidity problems earlier this month after foreign depositors withdrew much of their money.

The FDIC, which put together the $7.5bn temporary support package for Continental on May 17, has refused to acknowledge that it might be forced to provide longer-term support in any solutions to the bank's problems.

Continental Illinois has said on several occasions in the past fortnight that its number one priority was to remain independent. Bankers in the U.S., however, generally believe thet it will be forced to merge with another financial institution, almost certainly a bank, and that the FDIC will be required to assume some of Continental's $2.3bn worth of problem loans so that the prospective purchaser can acquire a "clean bank".

Traditionally, the FDIC has eased the takeover of financially troubled banks in the U.S. by taking over the institution's problem loans.

The FDIC is worried about giving such a commitment in the present case because of the scale of Continental's problem loans.

Mr David Taylor, Continental Illinois' chairman, said yesterday that he "had not given up hope" on the bank finding a private solution to its problems. But he added that "the odds probably involve some kind of FDIC funds."

He said that the bank was "probably too large for a merger or independent solution to its problems without Federal help."

He was speaking at a press conference in Springfield, the state capitol of Illinois, where he had gone to lobby legislative support for a change in the state banking laws which would allow an out of state bank to acquire Continental.

In early trading yesterday Continental Illinois shares fell sharply and by mid-day were $1⅞ down at $7, valuing the bank at under $300m.

Threat to agreed Enstar bid

By William Hall in New York

FURTHER SIGNS appeared yesterday of opposition to the $511m agreed bid for Enstar, the Houston-based oil and gas company, which was launched last week by Allied Corporation and Ultramar.

Tesoro Petroleum, another Texas oil company whose name has been linked with Enstar before, said it had made an offer of "at least $20 per share" for Enstar, but had withdrawn it apparently because of a "lock-up" clause in the earlier $18 per share tender offer by Allied/Ultramar.

Enstar said the approach had come too late and as it was never put in writing they did not consider a formal offer had been made. Several large shareholders in Enstar, including Mr Roy Huffington, who owns just under 10 per cent, have criticised the agreed bid from Allied/Ultramar as being too low.

Dee bids for Booker McConnell

Continued from Page 1

Booker McConnell, which is well-known for its sponsorship of the Booker fiction prize, is primarily e food distribution group. About three quarters of its annual turnover last year of £1.1bn came from its food wholesaling and retailing interests.

The company operates 163 supermarkets under the Bishop's and Budgen names as well as 156 cash-and-carry and other wholesaling outlets. It also owns 144 health food shops, trading as Holland and Barrett, and 105 chemists shops. Other activities include engineering and shipping divisions.

Dee has not yet sought guidance from the Office of Fair Trading (OFT) about whether the merger could be referred to the Monopolies Commission. Mr Monk suggested that since Tesco and Sainsbury together held more than 55 per cent of the market in London and the South-east, the creation of new competition in that area should be welcomed by the OFT.

THE LEX COLUMN

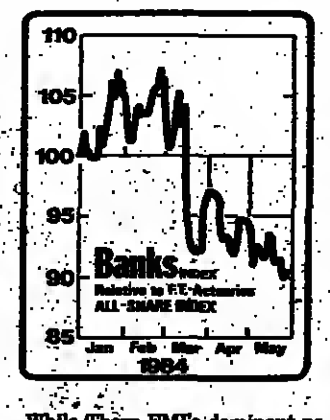
Fast rewind for BET

BET's plan to exchange colour televisions for cabinet towels chimes oddly with the enthusiasm which the group was expressing about television receivers when it bought out the Rediffusion minority last year. BET paid heavily for that stake and is now selling the rental business after a year of depressed profits and just before the cash flow benefits of the earlier VCR investment start to emerge.

Yet BET has good reason to feel more sceptical about the rental market than it did a year ago. Its own VCR off-take has been virtually nil over the past quarter and the shift from rental to outright ownership looks inexorable across the whole product range. Underlying the gloom about the market, however, must be a recognition on BET's part that it is simply not very good at managing the Rediffusion rental business. Granada extracts roughly twice the profit from little more retail space and not all of the difference can be attributable to cable, product mix and location of outlets. BET will escape on a multiple of roughly 20 times historic earnings, which looks respectable value for arguably the least distinguished company in the sector.

The acquisition provides Granada with the challenge of dragging Rediffusion margins into line with its own, besides offering an immediate saving in overheads and the prospect of greater sales density through the closure of around 100 outlets. Marrying the two companies without disturbing the customer base will be no easy matter and Granada will almost certainly suffer some short term earnings dilution but, for a group which seems rather to have lost its way on the diversification path, there is much to be said for a return to basics.

The purchase does, in any case, leave Granada well hedged since the television rental operations will spin off cash a few years from now, come what may. In the short term, profits can be massaged slightly through a revision of Rediffusion's depreciation policy and, by the late 1980's, Granada should be attractively liquid. Yesterday's share placing, which will reduce net debt from 52 to 35 per cent of net worth, can therefore be seen as a deferred one-for-two rights issue. The fact that Granada executed such a heavy issue on a narrow discount in a market like yesterday's probably owes something to the intriguing cocktail of rights issue and placement, not to mention the long-overdue enfranchisement of Granada's limited voting shares.



While Thorn-EMI's dominant position in the TV rental market may encourage the Office of Fair Trading (OFT) to overlook this particular deal, it is by no means sure that BET's parallel proposal to acquire the residual stake in Initial will meet the same fate. The Monopolies Commission was distinctly ambiguous about the Initial/Advance combination last year and it can now be only a matter of time before BET seeks to mop up the Advance minority. The premium being offered by BET looks reasonable but the independent directors of Initial may easily conclude that a few pence more can be extracted, OFT permitting.

Markets

The Great Debate on the Stock Exchange's future has prompted a mixed press for the continuous market-making prowess of the jobbers.

Yesterday morning the system at least stood revealed in all its splendour, which it must be hoped was some consolation to the jobbers as prices fell 2 per cent or more, quicker than most people could say Bolivia. Nobody in La Paz has set his watch by the timing of interest payments to foreign banks for years gone by, but any bad news in the banking sector these days strikes a funnybone in the market and most of the leaders closed around their midday lows.

The clearers fell further than most, with scant regard paid to their relative exposures to Latin America debt. Brokers de Zoete and Bevan have estimated these as a percentage of shareholders' funds for both the clearers and the leading New York banks, adjusting the UK capital bases into line with generally accepted U.S. accounting principles.

With Lloyds et 228 per cent and Midland at 213 per cent, the City has notched up an unenviable lead.

With the U.S. Treasury long bond's yield over 14 per cent by the end of the day in London, the gilt market has clearly settled down to await a rise in base rates. But this might be unlikely, at least before next Tuesday's money supply figures.

The corollary of the institutions' reticence in equities continues to be the steep yield curve in the money markets. The accumulation of short term funds has pulled overnight rates well below 7 per cent so there should be little pressure on the banks' funding base, at least in the short.

Dee/Booker

A fair amount of tidying up has been visible at Booker McConnell in recent months, including disposal of the drinks distribution business at a more than respectable price and the complementary acquisition of Bishops, which added to the group's investment in UK food retailing. However, the strength of the share price during the last three weeks has clearly owed much more to bid expectations, and when the shares jumped to another new high yesterday morning Dee Corporation was already on most short lists of putative bidders.

The advantages for Dee of absorbing Booker would mainly lie in food distribution, where there would be obvious scope for rationalisation in the retail side – putting Booker's 160 – odd stores in with Dee's Key and Gateway chains. There are also plenty of opportunities for integrating the two cash and carry wholesaling operations. This is nevertheless an industry whose customer base in the corner grocery trade is being steadily eroded, making it less than clear whether Dee ought to be committing itself still more heavily by taking on Booker.

Dee's offer of shares and convertible loan stock – pushed Booker shares to 165p, valuing the company at £207m compared with net assets in the last balance sheet of £119m, and probably takes Booker on a multiple of about 12 times prospective earnings, rather beyond its rating without an offer. The Booker board may be rather stretched to put up a serious defence, given the company's unexciting record and faced with a degree of City enthusiasm for Dee's management.

U.S. food chain in buyout bid

By Terry Byland in New York

DENNY'S, the Florida-based fast food and restaurant chain, yesterday became the latest addition to the list of U.S. companies to attract e leveraged buyout offer. A group of its own management, with Merrill Lynch Capital Markets and unnamed financial institutions, has offered $45 a share for the equity, valuing the company at about $800m.

The proposal already has the support of those directors who are not members of the group making the offer. Approval will be sought from the stockholders of Denny's, which owns or licenses more than 2,000 restaurants and fast food outlets in the U.S. and abroad.

Denny's stock was suspended on the New York Stock Exchange on Tuesday pending an announcement from the board. The shares had risen $2⅜ to $35 in brisk trading, spurred on by takeover speculation. A number of major companies had been suggested as possible bidders.

Denny's turned in record profits of $40.2m or $2.67 a share in the year ended June 30 on sales of $1.1bn. The third quarter of the current year brought a 16 per cent gain in net earnings to $9.4m or 61 cents a share

Amrep put into hands of receivers

Continued from Page 1

the state-controlled oil group, said it would be "deplorable" if Amrep disappeared.

He also indicated that Elf was considering the possibility of acquiring e minority stake of about 15 per cent in Amrep.

But the Elf chairman indicated that the oil group would only consider such a stake if and when Amrep's existing shareholders wrote-off the oil services concern's losses and met its immediate financial needs.

Elf Aquitaine and Total in talks to renew Iraq oil contracts

BY PAUL BETTS IN PARIS

ELF AQUITAINE and Total, two leading French oil concerns, are negotiating with Iraq the renewal of their oil supply contracts, involving 80,000 barrels a day, with the Iraq National Oil Company (Inoc).

The French Government agreed the purchase last year to help to finance French arms sales to the country. France is a leading arms supplier to Iraq and has sold to Baghdad five super Etendard jets armed with Exocet missiles, among other weapons.

The oil supply agreement had angered the companies, especially the Elf group, because it had been negotiated on a government-to-government basis with Elf and Total then being asked to take 40,000 b/d a day each.

The French Government appears to want the renewal to be negotiated on a company-to-company basis directly with Inoc. The Iraqis are understood to want to negotiate the contract on a government level.

A delegation from the Iraqi oil company was in Paris yesterday to discuss the contract with the companies. Elf said the Inoc president was not leading the Baghdad delegation and the present discussions were not expected to lead to a final decision.

Both companies have indicated that they are willing to renew the Iraqi contract as long as the terms are negotiated on a commercial basis.

Although France is clearly concerned with recent developments in the Gulf, senior Elf executives suggested that the evidence so far indicated that the majority of tankers said to have been sunk in the Gulf did not exist. M Michel Pecqueur, Elf's chairman, went on to suggest that the situatioo was being depicted more dramatically than it really was.

None the less, French ship insurers have raised their rates for ships going to the Gulf zone. The rates have doubled since the beginning of the month to 0.32 per cent of the value of a ship for year-long policies

UK miners' leader arrested on picket

Continued from Page 1

lice said a wire was stretched across the road at neck height to dismount police on horseback with brutal force.

Earlier, as Mr Scargill megaphoned news of his freedom on unconditional bail to e roaring crowd outside the Rotherham Magistrates' Court, three miles away at Orgreave police and fireman started to clear up

Few thought that Tuesday's scenes – the first use by the police of riot gear in an industrial dispute as mounted police charged a violent, stave-throwing crowd – would be matched again yesterday.

After a quiet morning – the only incident being Mr Scargill's arrest – Mr Peter Wright, chief constable of the South Yorkshire police, said the lower number of pickets clearly indicated many miners had been chastened by the trouble, and had rejected Mr Scargill's call for every miner to join the Orgreave picket line.

Mr Wright spoke too soon, for by mid-afternoon Mr Clement was saying: "This is the worst violence we have seen in this dispute."

What happened? Any picket, particularly a mass picket, is a confused, swirling passage of apparently unrelated incidents, and yesterdays at Orgreave was no exception.

The facts are simple: almost 2,000 police, about 3,000 pickets, 35 arrests (including Mr Scargill), 20 police officers and four pickets injured – and 70 lorry-loads of coking coal taken out of the plant and off to Scunthorpe.

Behind them lies a sharply contrasting pattern of the day's events. At the coke works, tucked at the bottom of the slope forming the south side of the Rother Valley, pickets gathered on the railway bridge over the Sheffield-Worksop branch line at the top of the hill above the plant.

Mr Scargill arrived at 7.20 am. By 7.50 he had been arrested, charged, and taken away in a police van.

He led e group of about 30 miners down the hill, with a number of other groups following behind. Just opposite the entrance to the coke works, be halted, and was asked by police to move on to where pickets had been penned in.

Massey back in profit after 4 years

By Bernard Simon in Ottawa

MASSEY FERGUSON, the Canadian farm equipment and industrial machinery manufacturer which came close to collapse during the recession, has reported its first quarterly profit in four years.

Net profit totalled U.S.$2.4m in the three months to April 30 compared with e $17.9m loss in the corresponding period last year.

None the less, Mr Victor Rice, company chairman, said prospects for continuing profitability this year are clouded by several uncertainties, notably the weak market for combine harvesters in North America. Massey Ferguson's net loss for the year to January 31, 1984 totalled $68m, down from $413.2m in the year to October, 1982.

Sales declined by 9 per cent in the past year to $365m in the first quarter. Revenues from farm and industrial machinery slipped by 13 per cent to $300m, while sales of diesel engines increased by 11 per cent to $65m. Total sales in Europe fell by 27 per cent, but rose in the company's other major markets.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	18	64	Dubrovnik	S	26	[illegible]	Malaga	S	14	57	Salzburg	C	14	57
Akrotiri	R	26	79	Faro	–	—	—	Malta	R	25	77	Seoul	C	26	79
Algiers	C	19	66	Florence	F	19	66	Manila	F	35	95	Singapore	C	32	90
Amsterdam	C	14	57	Frankfurt	S	13	56	Miami	C	26	79	Stockholm	C	17	63
Athens	R	24	75	Funchal	C	17	63	Milan	F	16	61	Strasbourg	R	10	50
Bahrain	F	32	90	Geneva	C	12	54	Moscow	F	23	73	Sydney	R	16	61
Bangkok	–	—	—	Gibraltar	T	20	68	Munich	C	14	[illegible]	Taipei	R	27	81
Barcelona	F	18	64	Guernsey	F	12	54	Nairobi	C	25	77	Tangier	C	18	64
Beirut	F	24	79	Helsinki	S	21	70	Naples	F	20	68	Tehran	–	—	—
Belgrade	F	27	79	H. Kong	R	28	82	New Delhi	F	44	111	Tel Aviv	F	29	84
Berlin	F	17	63	Innsbruck	F	13	55	New York	C	20	68	Tenerife	C	22	72
Biarritz	C	14	57	Inverness	C	15	59	Nice	R	17	63	Tokyo	C	26	79
Blackpool	F	14	57	Istanbul	S	24	75	Oporto	F	16	61	Toronto	R	10	50
Bordeaux	C	16	57	Jersey	C	12	54	Oslo	F	21	70	Tunis	R	24	75
Brussels	C	10	[illegible]	Jo'burg	F	17	63	Paris	S	17	63	Valencia	F	18	64
Budapest	F	18	64	Las Palmas	D	20	68	Prague	F	15	59	Venice	F	17	63
B. Aires	–	—	—	Lima	F	22	72	Reykjavik	C	–	—	Vienna	F	14	57
Cairo	–	—	—	Lisbon	R	27	[illegible]	Rio de J'o	C	34	[illegible]	Warsaw	F	15	59
Cape Town	–	—	—	Locarno	S	17	63	Rome	F	26	[illegible]	Zurich	R	8	46
Caracas	S	27	81	London	F	18	64								
Casablanca	F	19	66	Los Angeles	R	[illegible]	[illegible]								
Copenhagen	C	16	61	Luxembourg	R	8	46								
Corfu	F	24	75	Madrid	S	18	64								
Dublin	C	12	54	Majorca	C	18	[illegible]								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Europe stocks retreat

Continued from Page 1

The Commerzbank index fell through the 1,000 level, for only the second time this year, to reach its lowest since November 8 – down 17.5 at 988.9.

Amsterdam and Zurich were also at lows for the year with concern over international debt problems exacerbating the unwillingness of investors to take up new positions ahead of today's Ascension Day holiday in much of continental Europe.

In Amsterdam, the ANP-CBS General index fell 3.7 to 153.8 while in Zurich the Swiss Bank Corporation industrial index was 1.8 easier at 359.30.

There were some bright spots, however. Paris tended quietly firmer while Stockholm rebounded from the low-point for the year seen on Tuesday as investors had their first opportunity to react to Volvo's record first-quarter profits, announced after the bourse had closed on the previous day.

London brokers said the only new elements for the stock market yesterday were the trade figures, which emphasised the vulnerability of the economy to the miners' dispute and to the Gulf war, and Wall Street's decline on Tuesday to e 15-month low.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday May 31 1984

Limited launches new bid strategy

By William Hall in New York

THE LIMITED, the Ohio-based retailer which last week dropped its $1.3bn contested takeover bid for Carter Hawley Hale, the West Coast department store group, has not given up its fight.

It has announced plans to get two of its own directors elected to the Carter Hawley board at the group's delayed annual meeting on June 28. Limited owns 2.3 per cent of Carter Hawley and says it will use cumulative voting in its effort.

It is proposing that Mr Robert Morosky, Limited's vice-chairman, and Ms Claudine Malone, a financial consultant who is an outside director of Limited, be elected to Carter Hawley's 19-member board.

The annual meeting, which will also vote on Carter Hawley's controversial anti-takeover tactics, will be an important test of Carter Hawley shareholders' confidence in the group's management.

Carter Hawley said last week: "The overwhelming decision of our current stockholders to remain long-term investors in Carter Hawley Hale is the clearest evidence possible that the actions of our board of directors have served the interests of stockholders." Carter Hawley shareholders are, however, conscious that their shares are trading around $20, far cry from the $35 a share cash offer made by Limited.

Profits jump 64% at Thomson group

BY OUR FINANCIAL STAFF

BETTER trading profits in UK publishing and in North America, coupled with a lower effective rate of corporation tax arising from this year's UK budget, enabled International Thomson Organisation to boost first quarter net profits by 64 per cent from £5.6m to £9.2m ($12.7m).

The Toronto-based publishing, travel and natural resources group, which last week announced the forthcoming retirement of Mr Gordon Brunton, president and chief operating officer, lifted sales in the quarter ended March 31 from £314.8m to £347.4m.

Earnings per share rose from 2p to 3.1p, reflecting a two-for-one stock split approved earlier this month.

The latest results continue the strong performance shown by International Thomson last year, when net profits excluding extraordinary items rose 47 per cent to £75.7m.

In the latest three months, trading profit at Thomson Regional Newspapers in the UK showed a "marked increase." Bookings at Thomson Holidays and Portland Holidays were significantly higher.

Mr Brunton is to be succeeded by Mr Michael Brown, currently executive vice-president of International Thomson and chief operating officer of the main U.S. subsidiary.

Air Florida wins time with $5m finance deal

BY OUR NEW YORK STAFF

AIR FLORIDA has won another breathing space in its battle for financial survival following General Electric Credit Corporation's eleventh hour agreement to provide the struggling airline with a $5m loan.

But the loan, which will be used to meet the airline's short term cash needs, came too late to prevent the Airline Clearing House, which settles accounts among U.S. airlines, from terminating Air Florida's membership for non-payment of funds.

Air Florida was scheduled to pay $2m to the clearing house on Tuesday. The financially troubled airline said the board of the clearing house was due to meet yesterday to consider its reinstatement.

As its problems have mounted, Air Florida has been forced to pay cash by several of its suppliers who have refused to supply it with normal trade credit. This has exacerbated problems, and yesterday Eastern Airlines, one of its bigger rivals, announced that it would no longer accept tickets issued by Air Florida because of its failure to settle its accounts promptly.

Approval expected on Dome debt plan

By Robert Gibbens in Montreal

DOME PETROLEUM of Canada expects to get approval for refinancing about C$160m (U.S.$124m) in unsecured debt this week, and will file a prospectus with the U.S. Securities and Exchange Commission for an equity-type offering now planned for August.

Dome had earlier arranged a debt rescheduling package with an international syndicate headed by Citibank of New York and with a group of four Canadian banks. There have been delays in signing all the documents, partly because the agreement with unsecured creditors had not been completed.

Dome at last report had almost C$6bn outstanding in current and long-term debt. Last week the company arranged a delay in the rescheduling of U.S.$1.2bn due to the Citibank group while negotiations were completed with the Canadian group and unsecured creditors. The full documents for the total package are due be signed on June 30.

Dome is believed to be looking for about C$350m to C$400m from the new equity issue.

Including major write-downs, Dome Petroleum reported a loss of C$1.1bn for 1983.

Canadian banks' results mixed

BY OUR MONTREAL STAFF

MIXED RESULTS have been reported by three Canadian banks. Bank of Montreal, the country's third largest chartered bank, posted higher second quarter earnings, while Bank of Nova Scotia, the fourth largest, reported a downturn and Bank of British Columbia, one of Canada's smaller banks, showed a half-year loss and omitted its quarterly dividend.

But all three banks said performance had been hit by lower interest margins.

For the second quarter to April 30, earnings at Bank of Montreal were C$70.6m (U.S.$54.4m) or 61 cents a share against C$62.2m or 84 cents a year earlier on larger capital, despite tight interest margins, weak credit demand and excess liquidity. Loan loss provision for the three months was down at C$95.6m, against C$101.7m.

Bank of Nova Scotia said lower domestic and international interest margins were the main factor in lower earnings in the first half of fiscal 1984.

Net profit for the six months were C$151m or C$1.06 against C$186.7m or C$1.32, a year earlier, and total interest income slipped to C$2.73bn from C$2.85bn.

Second quarter profit was down at C$60.6m or 42 cents, against C$83.7m, or 59 cents.

Mid-term assets of Bank of Nova Scotia were C$55.8bn, compared with C$53bn a year earlier.

Bank of British Columbia reported a net loss for the six months to April of C$208,000 or four cents a share, compared with a profit of C$5.96m, or C$1.43.

French water group up

By Our Paris Staff

COMPAGNIE Générale des Eaux, the large and diversified private sector French water distribution company, boosted net group profits by 17 per cent last year to FFr 417.29m ($49.6m) from FFr 355.7m in 1982.

Group turnover rose 11.3 per cent to FFr 30.3bn from FFr 27.2bn. The company, which is one of the largest quoted on the Paris bourse, has already proposed to shareholders an increased dividend for 1983 of FFr 17 (or FFr 25.5 counting the additional tax credit) against FFr 15.5 for the previous year.

This followed a share capital rise of a nominal FFr 375m carried out at the beginning of 1983, of which FFr 220m in new money came through a rights issue.

Générale des Eaux, in which the publicly-owned glass-to-pipes conglomerate, Saint Gobain, built up a 20 per cent stake last summer, has embarked on a wide-ranging diversification programme aiming to take it into such fields as communications and energy.

Takeover aids Winterthur result

BY JOHN WICKS IN ZURICH

WINTERTHUR, the Swiss insurance group, increased net profits to SwFr 137.7m ($61.4m) for 1983, compared with SwFr 73.5m for 1982. Gross premiums rose to SwFr 6.2bn, largely because of the acquisition of Republic Financial Services, of the U.S. Otherwise premiums would have been just 7.7 per cent higher.

The Swiss insurance arm recorded improved underwriting results and a further increase in investment income. Its net earnings rose from SwFr 65.4m to SwFr 74.3m. The life side booked a rise in profits of more than 20 per cent to SwFr 310m, of which SwFr 300m is to be transferred to the policyholders' bonus fund.

● Swiss Reinsurance expects net profits for 1983 to be broadly in line with the SwFr 87.5m achieved for 1982.

Parent company premium volume in terms of Swiss francs was only slightly higher than the SwFr 3.03bn recorded for 1982 following the weakness of major European currencies against the franc and a cautious underwriting policy.

Non-life reinsurance underwriting incurred a loss of SwFr 197.3m.

Atari to end Hong Kong venture

BY LOUISE KEHOE IN SAN FRANCISCO

ATARI, the video game and home computer subsidiary of Warner Communications, confirmed yesterday that it plans to withdraw from a joint manufacturing venture in Hong Kong. The move is seen as the first of a new round of layoffs and "consolidation" moves at Atari.

Atari Wong Electronics, which is 51 per cent owned by Atari, is to discontinue manufacturing operations at the end of June, according to Atari. Terms of Atari'a withdrawal were not revealed.

Atari Wong has been the primary production site for Atari's 800XL home computer. Production of the 800XL will be moved to Taiwan, Atari said. "The move is part of our plan to consolidate manufacturing operations and in no way reflects a decrease in sales expectations or performance," the company said.

Last year Atari moved most of its California manufacturing operations offshore to Taiwan and Hong Kong. In recent moves, the company has "consolidated" manufacturing operations by moving activities to sites in Texas and Puerto Rico.

Chrysler wins first round

By Terry Dodsworth in New York

CHRYSLER corporation, the smallest of the big three U.S. motor groups, has won the first round in its battle to block the proposed new joint venture between General Motors (GM) and Toyota.

In a decision in a U.S. district court, a federal judge ruled against the dismissal of Chrysler's legal action aimed at stopping the project.

GM, the largest of the U.S. producers, and Toyota of Japan, had filed motions to try and prevent Chrysler from pursuing its action. They had been supported by the Justice Department which argued that Chrysler lacked the standing to sue because it could not prove that it would be damaged by the joint venture.

Under the deal between GM and Toyota, the two companies are to collaborate in producing a small car in California for the U.S. market.

HELSINKI STARTS REVOLUTION IN THE COUNTRY'S BANKING SYSTEM

Finns feel chill winds of change

BY DAVID LASCELLES IN HELSINKI

ALONG WITH saunas and a well-honed instinct for survival, Finns can boast some of the best banking services in the world. Few villages between Helsinki and the frozen wastes of Lapland do not sport two, often three, bank branches. Many offer bank-by-phone services connected to computers which speak both Swedish and Finnish, a major accomplishment for a human being, let alone a machine.

But if ever there was a sign that the financial services revolution sweeping through countries like the UK and the U.S. knows no borders, the Finnish banking industry is creaking with the strains of change.

An officially sanctioned bank cartel which has held down interest rates for 50 years is about to burst apart with consequences that no one can yet calculate; except that the independent-minded Bank of Finland is confident enough to let it all happen. "We think the economy is ripe for the challenge," says an official there.

The strains are showing in an unregulated or "grey" market for money – mainly big corporate deposits – which has sprung up offering interest rates more than three times as high as the cartel's 5 per cent or so. This market accounts for 30 per cent of the total, forcing the banks to fund themselves.

The quid pro quo for the cartel is an officially dictated maximum lending rate (currently about 10 per cent) which would crush the banks were there not a let-out: they can pass on 60 per cent of the cost of whatever "grey market" money they take in. Even so profits were squeezed last year. Just to complicate things, Bank of Finland sets a base rate for the cartel and deals in the grey market, and the intricate arrangement is cemented into the tax system because interest paid by the cartel is tax free.

It all makes life specially hard for the three recently admitted foreign banks, Citibank, Chase Manhattan and Banque Indosuez which lacking retail branches, must buy in grey market money at 16 per cent and lend it on at 10 per cent if they want to be in the lending business, which, not surprisingly, they do not.

In Aleksanterinkatu, Helsinki's banking district, bankers see the absurdities, but view the end of half a century of easy money with mixed feelings.

Mr Jaakko Lassila, chief executive of Kansallis-Osake-Pankki (KOP), one of the two big banks that dominate the scene (the other is Union Bank), and the man widely expected to make the first break, relishes the prospect: "The cartel prevents us developing our own products." But the small savings banks expect to be the losers. For the Bank of Finland, the growth of a real money market should make the task of regulating credit demand that much easier.

The break-up of the cartel will also end the days of cheap loans. At the moment banks can hardly meet all their customers' borrowing needs. "We may actually have to go out and market loans," jokes Mr Lassila. This could disrupt the cosy "house bank" relations which banks have built up with companies over the years. It could also encourage a shift in company financing away from bank loans towards the stock market, something the Government would like to see.

KOP and Union, long arch-rivals, are well-placed for a good fight. Both recently made jumbo equity issues that roughly doubled their capital. Another sign of their growing self-confidence is foreign expansion. KOP has just opened a branch in London and Union will follow suit next year.

But they will not be the first. That distinction goes to Postipankki, the Post Office bank which has aggressively transformed itself into a fully fledged commercial bank and has had a branch and a financing business in the UK.

The Bank of Finland is easing the rules governing Finnish bank participation in foreign loans and overseas equity investment. "We expect this process to continue," said Mr Bo Harald, head of the international division of Union Bank which is currently represented in London through Scandinavian Bank, the consortium bank.

Finland's version of the Big Bank will probably come next year when, by coincidence, several banking laws, including that governing the cartel, expire. A committee set up by the commercial, savings, postal and co-operative banks will have made proposals for the industry by then. The outcome could be a new law applying to all types of banks which would make them equal competitors, but would shake-out that village branch network which, per capita, is one of the densest in the world.

Becker confirms plan to reduce workforce

BY TERRY BYLAND IN NEW YORK

A.G. BECKER Paribas, the brokerage and investment firm controlled by Cie Financière de Paribas, confirmed yesterday that it is cutting its workforce by 200 or about 10 per cent, giving a further indication of difficulties on Wall Street.

Becker has a strong position in the New York fixed interest markets where traders have suffered harshly this year as interest rates have soared and a lack of retail demand has left Wall Street firms holding hefty lines of stock.

As a privately-held firm, Becker does not disclose details of its earnings performance. It had $220m in capital at the end of its last fiscal year and the French parent bank, which is in the process of buying up the outstanding equity, has said it intends to boost the capital to $300m.

Profits at the major Wall Street securities houses have been falling sharply since the closing quarter of last year. Most major firms are operating freezes on staff.

Victoria and Grey Trust studies merger plan

BY OUR MONTREAL STAFF

TWO medium-sized trust companies are studying a merger that would create Canada's third largest trust industry unit, ranking after Royal Trust and Canada Trust.

Victoria and Grey Trust Company, of Stratford, Ontario, and National Trust of Toronto, would have combined assets of nearly $8bn if the merger is consummated. The companies have confirmed only that merger studies are underway, but observers believe that planned financial industry deregulation is forcing many smaller trust companies to form larger units.

A new publicly-traded company could be formed, enabling Victoria and Grey and National Trust stockholders to exchange their existing shares for the new company's stock.

National already owns about 10 per cent of Victoria and Grey. Sizeable interests in both trust companies are held by the Jackman family of Toronto.

EUROPEAN INDUSTRIAL COLLABORATION GROWS

Olivetti's case for AT & T pact

BY PAUL BETTS IN PARIS

SIG CARLO de Benedetti, the chairman of Olivetti, the Italian office information and data processing group, was accused in Paris the other day of being the industrial equivalent of Dr Jekyll and Mr Hyde. On the one hand, he has long been one of the more vocal champions of industrial collaboration between European countries and companies. On the other, he did not hesitate to link up with American Telephone & Telegraph (AT & T), the U.S. telecommunications giant, to strengthen Olivetti's presence on world markets.

Sig de Benedetti, however, made a frank and convincing case for his decision to link with AT & T while continuing to to call for European collaboration. "We would like to see Europe take actions which we feel are essential for its future," he said. "But that is a political statement. If Europe does not do at government or company level what we feel would guarantee our industrial future, then my duty is to take decisions to safeguard the interests of our company."

For Sig de Benedetti there is a simple reason why so few collaboration agreements are made between European companies, involving the exchange of markets and technology, or both. In Europe, argues Sig de Benedetti, companies fight rather than swap markets and they all need new technologies. Under the circumstances, he says, "it is difficult to make agreements when you cannot exchange markets and you have no technology to swap."

Although the Olivetti–AT & T alliance has caused considerable clamour because of its size and industrial implications, it is by no means an isolated case. Indeed, it reflects a growing trend among European companies seeking industrial or commercial alliances (or both) with U.S. and, to a lesser extent, Japanese partners.

Sig de Benedetti drew attention the work of a Milan-based research group called Reseau, which specialises in the electronics and automation industries. Having monitored major joint venture agreements by European electronics companies since 1979, it found that out of a total of 200 agreements signed between 1979 and last year 51 per cent involved ventures between European and U.S. groups, 31 per cent involved agreements between a European company and a Japanese concern and only 18 per cent involved agreements between two European companies.

Reseau's research shows that 29 per cent of the agreements involved the data processing sector, 19 per cent telecommunications, 13 per cent industrial automation, 24 per cent consumer electronics and 15 per cent electronic components.

Agreements between European and U.S. companies were mainly concentrated in the computer, telecommunications and components (in particular semiconductors) sectors. European agreements with Japan mainly involved consumer electronics and industrial automation, while deals between European companies involved consumer electronics and the microcomputer sector.

Another revealing trend is the steady increase in the number of new collaboration agreements. There were 11 new agreements in 1980. These rose to 28 in 1981, 35 in 1982 and 40 last year. The 200 agreements so far monitored are not a complete catalogue of all collaboration deals signed by European companies in the electronics sector.

Agie forecasts firm recovery

By Anthony McDermott in Geneva

AFTER SEVERAL years of poor trading, the Swiss Agie-International group looks set for a profits expansion.

Sales this year are forecast to rise by up to a fifth. Profits should continue increase after the strong recovery of 1983, when net earnings more than doubled to SwFr 6.2m ($2.7m).

Agie, the most important manufacturing company in the Italian-speaking canton of Tessin, makes electro-discharge machines for accurate and intricate cutting, notably on products such as turbo blades and semiconductors.

Agie's profit and loss account profile remains deceptively low. Profits last year represented a marked recovery from the doldrums of 1982 to 1983, when overproduction and misjudged sales targets led to severe difficulties.

INTL. COMPANIES & FINANCE

First-half figures at Nomura show rise

By Terry Povey

NOMURA, Japan's leading securities house, has become the first of the country's brokers to publish interim consolidated accounts. These show group net profits of Y41.4bn ($178m) for the six months to March compared with Y31.7bn in the same period of the previous year.

The group's unaudited accounts show revenues of Y223bn. Of this Y108.5bn came from commissions, compared with Y78bn at last year's mid-point. The increase in revenues reflects a 14 per cent rise in the average daily value of share dealings on the Tokyo stock exchange over the 12 months to March. The average daily value of shares dealt in this period was Y222bn. The bull market is, reflected however in a 3 per cent fall in the average daily volume of trading.

According to Nomura, its brokers handled some Y9.941bn worth of shares and earned fees totalling Y78bn in the six months to March on this business.

Share issues remained at a low level commented the company, but of the Y447bn offered, Nomura underwrote some 22 per cent—a lower level, if only marginally, than in the past.

Another major earner for the broker was its bond division. Volume on the over-the-counter market rose by a rate equivalent to an annual 28 per cent to Y230,000bn of which Y65,000bn was handled by Nomura. On this the company earned Y28.2bn—a rise of 36 per cent at an annual rate.

The company's investment trust division was also very active in a booming market which saw the country's principal bond investment trusts rise in value to Y8,389bn from Y6,809bn. The balance of the company's medium-term government securities outstanding at March rose by Y273.4bn to Y1,404bn. In total the beneficiary trusts handled by Nomura rose to Y4,564bn—almost doubling over the period being reported.

Mr Setsuya Tabuchi Nomura's president, sees an increasing proportion of the groups revenue coming from its overseas branches, rising to 50 per cent by 1990. Currently 11 per cent of Nomura's pre-tax income comes from its 30 overseas branches and the rest from 106 domestic outlets.

Mixed results for major Japanese shipbuilders

BY YOKO SHIBATA IN TOYYO

MIXED RESULTS have been reported for the year to March by Japan's five major shipbuilders, Mitsubishi Heavy Industries (MHI), Ishikawajima-Harima Heavy Industries (IHI), Mitsui Engineering and Shipbuilding, Hitachi Shipbuilding, and Sasebo Heavy Industries.

Japanese shipbuilders received orders for new building worth 12.4m gross tons in the period, up 2.9 times from the previous year, thanks to a boom in orders for bulk carriers led by Sanko Steamship's orders for 125 vessels. The backlog in orders at Japanese yards at the end of March totalled 13.6m, equivalent to two year's work.

Despite the low prices gained for ships each of the companies' shipbuilding sectors improved to a break-even position, thanks to full-capacity operation in their yards.

The differences in overall performance between the companies came from differing degrees of rationalisation and streamlining efforts in their non-shipbuilding sectors.

The shipbuilders are currently facing a lull in new orders as a reaction to last year's boom and to cope with loss-making orders in hand they are undertaking all manner of cost-cutting schemes.

IHI has reported record sales, thanks to a doubling in shipbuilding orders to Y190bn ($820m). Its earnings setback was attributed to a deterioration in profitability of the plant sector. For the current year IHI foresees a fall of about 10 per cent in earnings, because of the delivery of ships constructed below break-even levels.

Mitsui Engineering suffered a setback in sales and profits resulting from a downturn in the industrial plant sector which more than offset improved profitability in shipbuilding.

Hitachi also saw both turnover and profits fall because of lower sales of industrial plant and an 80 per cent drop in sales of offshore structures such as oil drilling rigs.

Sasebo Heavy Industries has reported an impressive performance and has resumed dividends with a Y5 payment after six years. The company received doubled orders in the year to March and sales of ships jumped by 159 per cent to Y76.2bn.

Rationalisation measures, such as cutting down the workforce, helped net earnings to a 16 per cent rise but SHI says that with the government's "administrative guidance" to curtail operations, sales and profits in the current year are expected to remain at the same level.

SHI was on the verge of bankruptcy in 1978 when Mr Hisao Tsubouchi of the Kurushima Dock group became its president. In the year to March 1982 earnings recovered sufficiently to clear cumulated debts of Y21.3bn.

Parent company results for year to March 31

	Sales Ybn	change %	pre-tax Ybn	change %	net-pfts Ybn	change %
Mitsubishi	1.908	+16.2	53.0	+116.6	26.9	+109
Ishikawajima-Harima	911	+15.4	22.5	−12.5	10.6	−5.0
Mitsui	297	−2.1	8.1	−23.8	3.6	−54.8
Hitachi	403	−19.5	12.0	−29.3	7.0	−18.3
Sasebo	108	+71.0	8.1	+1.0	4.7	+16.0

Net loss widens at Sanko Steamship

By Our Tokyo Staff

SANKO STEAMSHIP, the deficit ridden Japanese tanker operator, saw its parent company net loss widen to Y55bn ($237m) in the year to March 31 compared with Y47.6bn in the previous year.

At the pre-tax level the losses were marginally lower at Y55.5bn compared with Y55.9bn. The cumulative loss as at the end of March reached Y99.9bn which is equivalent to over 40 per cent of this year's sales of Y246bn — these were 7 per cent down on last year.

The poor performance is blamed on the steep fall in chartering income from its tanker fleet.

Thanks to a rationalisation programme operating losses were trimmed by Y5bn. However, lower revenues from sales of sohrt-term securities maintained the pre-tax deficit at last years level and the net loss rose.

For the current year the effects of the rationalisation are expected to bring a return to operating profits and the company forecasts pre-tax losses falling to Y16bn, net losses to Y10bn, and sales rising to Y270bn.

Sharp earnings advance at Kuala Lumpur Kepong

BY WONG SULONG IN KUALA LUMPUR

KUALA LUMPUR KEPONG, Malaysia's fourth biggest plantation group, has reported a sharp rise in earnings, with pre-tax profits up by over 120 per cent to 41.1 ringgit (US$17.8m) for the six months to March. Earnings per share rose to 7.1 cents from 3.3 cents.

The group attributed the strong turn-round to firm commodity prices, and higher production due to a larger acreage. Contributions from associated companies also showed a good improvement to 11m ringgit from 6m ringgit. The group's net profit was 23.9m ringgit, an increase of 113 per cent.

Rubber production rose by 57 per cent to 12.2 kilos, with prices up 25 per cent to 237 cents per kilo. Output of palm oil was 10 per cent higher at 182,000 tonnes, and prices rose strongly, by 75 per cent to 1,219 ringgit per tonne.

The directors expect earnings for the full year to be "substantially better than those of the previous year." The interim dividend is unchanged at 5 cents.

Scrip issue by Esso Malaysia

ESSO MALAYSIA, the 65 per cent owned listed subsidiary of Esso Eastern of the U.S. is making a three-for-two scrip issue to raise its paid-up capital to 135m ringgit (US$59m) from 54m ringgit. It has also proposed to split the one ringgit shares into 50 cent shares, Wong Sulong reports.

Esso shares, buoyed by the strong results, and the expectation of such a scrip issue, have risen from 12.5 ringgit at the start of the year to close at 17.2 ringgit yesterday.

JAPANESE COMPANY RESULTS

BANYU
DRUGS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	69	72
Pre-tax profits (bn)	8 89	8.15
Net profits (bn)	2 23	2.68
Net per share	11.15	21.27
Dividend	7.50	7.50

PARENT COMPANY

DAINIPPON INK AND CHESMICALS
PRINTING INK/RESINS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	398	379
Pre-tax profits (bn)	9.21	9.02
Net profits (bn)	4.50	4.21
Dividend	6	6

PARENT COMPANY

DAI-ICHI SEIYAKU
DRUGS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	82	81
Pre-tax profits (bn)	8 22	8.18
Net profits (bn)	3.68	2.71
Net per share	23.38	18.96
Dividend	7.50	7.50

PARENT COMPANY

DAIWA HOUSE
PREFABRICATED HOUSING

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	286	265
Pre-tax profits (bn)	14.38	12.7
Net profits (bn)	6.53	6.02
Net per share	18.64	18.17
Dividend (total)	7.5	7.5

PARENT COMPANY

HITACHI SALES
HOME ELECTRIC GOODS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	695	568
Pre-tax profits (bn)	10.05	8.21
Net profits (bn)	4.38	3.80
Net per share	28 80	25.73
Dividend	7.5	7.5

PARENT COMPANY

MARUZEN OIL
OIL PRODUCTS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	1,659	1.798
Pre-tax profits (bn)	2.82	4.15
Net profits (bn)	71.19	19.80
Dividend	—	—

PARENT COMPANY

MEIJI MILK
DAIRY PRODUCTS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	352	342
Net profits (bn)	1 6	4.5
Net per share	8.02	23.36

PARENT COMPANY

MEIJI SEIKI KAISHA
CONFECTIONER

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	207	204
Pre-tax profits (bn)	9.71	12 60
Net profits (bn)	4.67	5.15
Dividend	6	6

PARENT COMPANY

MITSUBISHI CHEMICAL
CHEMICALS

Year to	Jan '84 Y	Jan '83 Y
Revenues (bn)	1,146	1.070
Pre-tax profits (bn)	23.12	†6.48
Net profits (bn)	†3.48	†14.59

CONSOLIDATED

† Loss

MITSUBISHI ESTATE
OFFICE LEASING

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	188	154
Pre-tax profits (bn)	36.14	32.56
Net profits (bn)	18 42	16.11
Dividend	6.25	6.00

PARENT COMPANY

MITSUBISHI GAS CHEMICAL
XYLENE/INDUSTRIAL CHEMICALS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	222	214
Pre-tax profits (bn)	5.32	2.44
Net profits (bn)	3.05	2.34
Net per share	8.39	6.45
Dividend	5	5

PARENT COMPANY

MITSUI OSK LINES
SHIPPING

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	491	545
Pre-tax profits (bn)	5.53	12.02
Net profits (bn)	1.84	6.13
Dividend	4	4

PARENT COMPANY

NIPPON TELEVISION NETWORK
TELEVISION BROADCASTER

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	120	112
Pre-tax profits (bn)	11.24	9.79
Net profits (bn)	4.09	3.60
Dividend	100	65

PARENT COMPANY

NIPPON UNIVAC KAISHA
COMPUTERS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	108	104
Pre-tax profits (bn)	4.58	4.0
Net profits (bn)	1.85	1.78
Net per share	25.08	24.12
Dividend (total)	7.50	7.50

PARENT COMPANY

NIPPON OIL
OIL PRODUCTS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	3,325	3,523
Pre-tax profits (bn)	25.21	40.94
Net profits (bn)	12.83	18.60
Dividend	8	6

PARENT COMPANY

NISSHIN FLOUR MILLING
MILLING/FROZEN FOODS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	308	291
Net profits (bn)	5.57	4.2
Net per share	29.70	23.65

PARENT COMPANY

OMRON TATEISHI ELECTRONICS
CONTROL SYSTEMS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	209	164
Pre-tax profits (bn)	15.34	11.57
Net profits (bn)	7.66	5.14
Net per share	47.60	35.40
Dividend	11	12

PARENT COMPANY

SHIONOGI
DRUGS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	177	161
Pre-tax profits (bn)	23.16	24.41
Net profits (bn)	9.54	7.46
Net per share	32.97	27.71
Dividend	7.50	7.50

PARENT COMPANY

TAKASHIMAYA
DEPARTMENT STORES

Year to	Feb '84 Y	Feb '83 Y
Revenues (bn)	744	644
Pre-tax profits (bn)	16.88	18.57
Net profits (bn)	3.57	5.31
Net per share	16.57	27.98

CONSOLIDATED

TAKEDA CHEMICAL INDUSTRIES
PHARMACEUTICALS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	478	469
Pre-tax profits (bn)	47.02	46.58
Net profits (bn)	20.85	19.80
Net per share	27.20	28.48
Dividend	7.50	7.50

PARENT COMPANY

TOKYO BROADCASTING SYSTEM
TV AND RADIO BROADCASTING

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	127	121
Pre-tax profits (bn)	9 82	9.45
Net profits (bn)	4.79	4.57
Net per share	35.52	34.00
Dividend (total)	6.5	6.5

PARENT COMPANY

TOKYO ELECTRIC
CASH REGISTERS

Year to	Mar '84 Y	Mar '83 Y
Revenues (bn)	142	116
Pre-tax profits (bn)	10.12	7.94
Net profits (bn)	4 34	3 45
Net per share	32.22	25 98
Dividend (total)	7.75	7.50

PARENT COMPANY

U.S. inflation accounting reaches a reckoning amid tepid enthusiasm

BY TERRY DODSWORTH IN NEW YORK

INFLATION accounting in the U.S. may not be dead, but it is very definitely comatose. There is little enthusiasm for it in the published accounts of U.S. companies, while on Wall Street it is treated roughly like last year's inflation rate itself—old news with no market value.

"The attitude of most Wall Street analysts is that anything in the annual report is in the public domain, while what they are trying to do is to tell people things they do not already know," says Mr Barre Littel, vice president in the research department at Kidder Peabody, the Wall Street broker.

Part of the reason for this tepid attitude to the issue is that it has never been sold very hard by the accountants themselves. Five years ago, at the height of the inflationary surge unleashed during the Carter administration, the Financial Accounting Standards Board (FASB), the accounting industry's trade body, produced guidelines which were supposed to be incumbent upon leading public companies—about 1,500 in total, each with fixed assets of over *$125m*, or gross assets of $1bn.

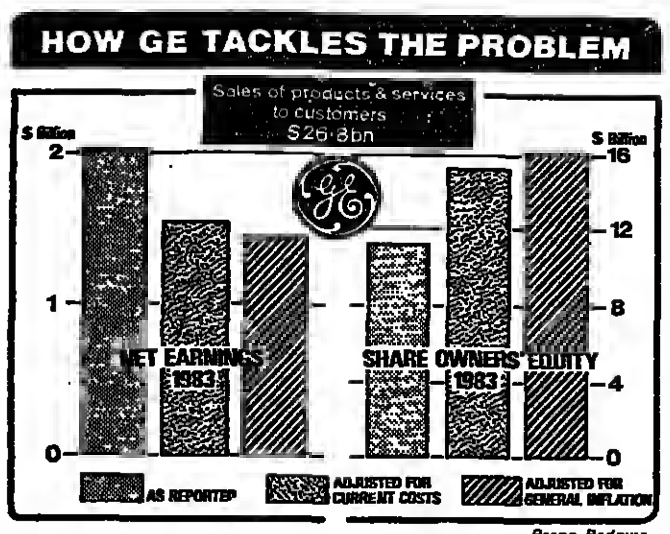
Even then, however, the FASB could not decide exactly what kind of inflation accounting it really wanted. As a result, it recommended a five-year experiment with two different systems, saying that, ideally, they should both be applied by all companies, but leaving it open for corporations to adopt only what they regarded as appropriate.

The guidelines, contained in Rule No. 33, also left it open for companies to report the results in whatever way, and wherever, they felt was most acceptable.

The result of this compromise was to leave companies with a choice. They could adjust their historic figures either on the basis of "constant dollars" — which means adjusting figures through a price deflator to take account of inflation — or on a current cost basis, which means recalculating the figures to show the cost of replacing assets at today's prices.

A glance through the published accounts of a sample of top U.S. company accounts would convince anyone that this is not a particularly successful policy. Most annual reports confine inflation accounting analysis to about a page at the end of the shareholders' report, well out of the way of all but the most determined investor.

IBM, for example, lists its inflation adjusted figures as "supplemental financial information" on pages 43 and 44 of its 49 page 1983 annual report. Some major corporations clearly comply under duress. Allied Corporation, for example, which produces two pages of figures, introduces them with virtually another full page of disclaimers. "Much of the FASB mandated data in this section lacks the relevance and reliability attributes which characterise historical accounting information." Allied says caustically.



Brane Radovic

Based on selected figures from General Electric's annual report

Even among investors, as represented by Wall Street analysts, there is virtually no pressure for further disclosure. At the height of the inflation accounting debate five years ago, Wall Street shawed a profound and striking lack of interest in what the FASB was trying to do. "We could not persuade analysts to serve on our task force—they just could not get a day away," says Mr Robert Freeman, project manager at the FASB.

Mr Littel, the one Wall Street research member of the Financial Accounting Standards Advisory Council agrees that professional investors have lacked interest in the FASB actions, but contends that there are sound reasons for it. "For professionals, the constant dollars concept is screemingly obvious and simply clutters up the accounts," he says.

"The current cost approach is better, and the new cost of goods sold disclosures are useful. But the previous SEC (Securities and Exchange Commission) depreciation method, which used the capital maintenance concept was superior to the present 'remaining life' approach, which tends to give bad information at the crucial point where a company's facilities are wearing out."

Now the debate is being thrown open again as the experimental period runs out towards the end of this year. Letters have gone out from the FASB to about 27,000 accountants, corporate treasurers and others asking for comments on the usefulness of FASB 33 and calling for suggestions on how inflation accounting should be treated in future.

The initial reactions indicate that even after the last five years of experimentation, the issue remains wide open.

Mr Littel, for example, believes that Wall Street can make most of the adjustments it needs to historic accounts without the help of elaborate supplementary information. Indeed, Kidder Peabody sells its own inflation accounting model, which is designed to show real replacement costs and the ability of real cash flow to cover that replacement.

By contrast, Mr Robert Berliner of Arthur Young, the accountants, says: "It seems to me that the limited use of FASB 33 is perhaps the single most important piece of information that the FASB should consider." He contends forcefully that the experimental nature of FASB 33 has undermined the impact of inflation accounting. "I would take away the aura of experimentation and eliminate the wording implying flexibility," he says.

The range of views among large companies is equally diverse, although inflation accounting has won some powerful friends in some of the larger corporations which have the muscle to make their views known.

General Electric, for example, has long been an advocate of inflation accounting, and a fervent supporter of the current cost replacement concept as a means of deciding how to allocate recourses in a business which spans the range of highly capital intensive and manpower intensive activities.

"A lot of our peers don't feel they have got any value out of inflation accounting," admits Mr Jim Costello, GE's vice-president and comptroller. But he says that GE has found current cost analysis of real value — particularly internally, where GE uses such analysis to educate plant managers, and for general discussion purposes on such matters as dividend policy.

"Generally," he says, "the plant by plant figures needed were already there — or should have been." As a result, the additional cost involved in producing the figures has been "minimal."

The most likely result of these divergent opinions is a compromise. Virtually everyone connected with the five-year experiment agrees that the constant dollar formula could be abandoned without any great loss. On the other hand, many would like to keep something—even Wall Street, says Mr Littel, feels that statement 33 has helped in the sense that it "validated the concept."

In this context, the revival of inflationary fears, which has been at the heart of the capital markets' recent behaviour, could well have a bearing on the debate. Thus some form of current cost adjustment seems like a strong long-term candidate for supplementary inclusion in U.S. company accounts.

UK COMPANY NEWS

Tate & Lyle £5.9m ahead midway

FIRST HALF pre-tax profits of Tate & Lyle rose from a restated £21.1m to £27m despite taking account of a £10.4m special provision to cover possible losses of a non-recurring nature in the sugar trading area.

As indicated earlier this year the interim dividend is being increased. Shareholders will receive 2p more at 6.5p net which, apart from giving a better balance between the two payments, reflects strong underlying profits from ongoing operations and the directors' confidence in the future.

The provision related to a possible default on a hedged contract which called for a shipment of sugar at the end of 1983 and into 1984.

The contract, which was entered into in 1982, was the last of a number of contracts made over a period of years for delivery of sugar to Indonesia.

The directors say the contract is now being taken to arbitration in London and that meanwhile, full provision has been made against potential losses.

Turnover for the half year, to March 28, 1984, declined from £833.6m to £811m and at the operating level profits fell by £1m to £21.9m. The group acts as a sugar refiner and commodity trader.

Pre-tax results were struck after deducting £7.7m (£9.5m) for interest and similar charges and adding in £8.1m (£4.2m) interest receivable and similar income and a £4.7m (£3.5m) share of related company profits.

Tax took less at £7.7m (£8.2m) and attributable earnings emerged £4.8m ahead at £15.9m, equal to 23.2p (19.6p adjusted) per £1 share.

Following publication of the 1984 Finance Bill the directors say it will be necessary for the group to make additional provision for UK deferred tax.

The position will be reviewed when the statements for the full year are prepared, but indications are that the amount required will be approximately £10m—this will be provided for as an extraordinary item.

The interim report reveals that sugar refining in the UK maintained a sound level of profits.

It points out that the capital spending programme for the modernisation of the Thames refinery is proceeding on plan and continues to reduce operating costs as new plant comes on stream.

The molasses businesses also made a good start to the year, with profits substantially ahead of last year's figures.

The results of the agribusiness division include a £1.5m provision to cover the group's exposure in a contract with Mozambique on which financing has been withdrawn.

With continuing low world sugar prices and lower world-wide sugar factory construction activities, the directors say the division has been reshaped to meet the reduced needs of its market.

At the annual meeting in March Mr R. Haslam, group chairman, said the first part of the 1983-84 year had been going well for Tate and that he looked on 1983 profits (£57.3m, against £40.1m pre-tax) as a base level for future years.

He told shareholders that this confidence stemmed from soundly-based businesses and the problems of loss-makers being largely resolved.

From materially reduced borrowings lower net interest charges were expected. The intention was to sustain the dividend policy and also bring interim and final dividends into better balance.

The chairman added that the group would be looking for expansion and that it might make selective acquisitions in food and allied industries, possibly outside the main sweetener area.

Allowing for current cost adjustments attributable profits for the opening half totalled £11.2m (£6.4m).

● comment

The market reacted calmly yesterday to confirmation of Tate & Lyle's Indonesian problems; the 7p drop in the share price, to 358p, was proportionally one of the smallest in the FT 30-Share Index. That aside, though, the lion's share of the £5.9m improvement at the pre-tax level was due to the £5.7m turn-round in the interest charge—itself largely the result of last September's £42m rights issue. Assuming at worst a write-off of all of the Indonesian £10.4m provision, pre-tax profits of £63-65m still look comfortably achievable for the full year. The market's reservations about the group, though, have more to do with long-term strategy. Loss-makers have now been weeded out, but remaining activities such as bulk chemical storage and the building of minesweepers sit awkwardly with the mainstream business. And in turn, lack of logic in the core of the group argues for difficulties in formulating an acquisition strategy. Meanwhile the shares retain their yield attractions—a prospective 7.2 per cent, assuming at least a maintained final.

HIGHLIGHTS

Lex takes a look at **British Electric Traction's** announcement of the sale of its TV rental operation to Grenada coupled with proposals to buy out the shares in the Initial laundry group which it does not already own. It also examines **Dee Corporation's** offer for **Booker McConnell**, which has itself been attempting to rationalise its operations recently. Equities had a bad day yesterday following the news that Bolivia is to suspend interest payments on its international debt. Lex examines bank shares in that context.

Coalite advances to £33m for year

A FURTHER advance in profits was made by the Coalite Group in the second half and resulted in an overall £5.19m rise to £32.53m at the taxable level for the year to end-March 1984.

The increase was achieved on turnover up at £441.77m, against £415.93m, and was struck after lower net interest and similar income receivable of £4.64m compared with £4.96m.

Following an increase in the interim dividend, when profits amounted to just under £10m (£8.21m), the final dividend is being lifted to 4.13p for a higher total of 5.8p (5.05p).

Earnings per share were 23.17p (18.26p) after tax of £12.6m (£11.64m)—there was an extraordinary debit of £1.99m this time.

On a CCA basis pre-tax profits were reduced to £25.56m (£19.53m).

Activities of Coalite comprise of solid smokeless fuel manufacture, processing of oil and chemicals, fuel distribution, vehicle building, and sheep farming in the Falkland Islands.

● comment

Amid the market bloodletting, the drop of only 2p to 165p in the share price yesterday was a reminder of what a remarkably defensive stock Coalite is—Fortress Coalite, one might say. Solid fuel volume was broadly unchanged over the year, but profits in that key division were ahead, as in all other areas except vehicle building. The cash mountain keeps growing meanwhile, despite the recent £4.3m acquisition of builders merchants Cawoods, and is probably pushing a £50m net by now; though the bid just entered for a chunk of the Claymore field—designed to use up tax credits on exploration—could, if successful, eat up another £10m. Viewed as an investment trust, Coalite is pretty handy on the dealing side, with profits on investment disposals reaching £1¾m against £1¼m the year before. In the current year, the big worry is of course the miners' strike. Present supply, from Derbyshire in particular, is enough to keep production of Coalite going, but not to build stocks ahead of the winter. A resolution of the strike by the late summer, though, should leave the group on target for current year profits of at least £36m, for a prospective p/e of under 7.

Dunhill expands to £11m and lifts final dividend

THE CHAIRMAN'S confidence at last year end has been fulfilled with the announcement of an 88 per cent increase in taxable profit at **Dunhill Holdings** in the year to March 31 1984.

Results of this manufacturer of smokers' requisites, watches, pens and toiletries, show a rise to £11.14m against a restated £5.92m on turnover which increased by 17 per cent to £93.69m. Most of the surge came in a second half surplus of £6.94m.

The final dividend is lifted by 1p to 8p giving a higher total at 14p against 12p, and the directors are proposing a four-for-one scrip issue.

Reorganisation of the central management of the Dunhill business has proved outstandingly successful, say the directors. The reorganisation of the distribution functions has been continued and is now largely concluded. The growth of the newer Dunhill fashion and accessory business has contributed strongly to the improved results.

Continuing management action is being taken to strengthen the Montblanc brand name, which the directors say is a leader in the world pen market, and to reorganise the business for future expansion.

Lane, the subsidiary which manufactures and distributes smokers' products in the U.S., has been successfully relocated in Atlanta, Georgia, from New York and a major expansion of the distribution business was achieved during the year.

Richards and Appleby, which manufactures and distributes toiletries and soap in the UK, showed strong sales and profit growth in the year.

For the group as a whole, an improvement in trading conditions in the Far East markets and more favourable foreign exchange rates have contributed to the results.

A change in accounting policy relating to the consolidation of overseas subsidiaries has necessitated the restatement of last year's accounts, with group profit before tax reduced by £342,000 under the new policy and the profit attributable to Dunhill Holdings reduced by £203,000.

The tax charge more than doubled from £2.07m to £4.55m, but there was a £69,000 credit from minorities against a £13,000 debit. Earnings per 10p ordinary share were 79.1p (45.3p).

Commenting on the figures, Mr Tony Greener, managing director, said that there had been a good start to the current year and it looks as if "another bumper year" could be in prospect.

Though there will be no repeat of last year's 88 per cent increase, he said, the group is continuing along the same sort of pattern and he was "quietly optimistic."

He added that the group's substantial cash balances could be used for the acquisition of a "suitable" international brand name.

● comment

Dunhill's strongest profits increase came from the Alfred Dunhill fashion and accessories arm, which experienced a measurable benefit from sterling's weakness since 21 per cent of its business is in the U.S. But there was also an underlying improvement in trading margins as a management reorganisation was completed in time to catch an upturn in the market for top-quality branded personal goods. Earnings at Mont Blanc and Lane, on the other hand, were static. Lane was disrupted by a major relocation, while Mont Blanc's factory was simply unable to keep pace with demand, providing a sharp reminder that Dunhill's skills lie more in marketing than in manufacturing. Capacity will be increased at Mont Blanc in the current year and the group is seeking to arrange orders as far ahead as possible in all its divisions, which should help to avoid further production bottlenecks. In general, however, Dunhill likes to keep out of manufacturing or distribution. With net cash of £11m, the directors are looking for another branded name with an international market, and they may even call on 50.6 per cent shareholder Rothmans International for acquisition support. The shares rose 10p to 645p on the announcement.

Profits up to £823,000 at Chapman

Profit before tax at **Chapman Industries** rose by 31 per cent to finish at £823,000 against £629,000 in the year to end-March 1984. But the second half performance was down to £512,000 against a comparable £585,000.

There will be an increased final dividend of 5.8p, up from 5.5p, to lift the total from 7.5p to 8p.

Turnover of this Kent-based envelope manufacturer rose by £2.21m to £15.87m. The profit was struck after net interest charges £15,000 lower at £105,000.

An extraordinary debit of £418,000 (nil) includes a provision of £391,000 for additional deferred tax. Earnings per share emerged lower at 23.3p against 28.3p.

The bespoke sector of the industry remains highly competitive, state the directors, but progress was made in commercial envelopes, with West Midlands Envelopes, acquired last August, ahead of expectations.

MEPC improves to £22m so far

CONTINUED IMPROVEMENT in group profits has been shown at the halfway stage by **MEPC** with a rise in pre-tax from £19.1m to £21.77m for the six months to the end of March 1984. The directors say that increased earnings are mainly due to rising rental income.

Net income from investment properties increased from £32.34m to £34.66m from which administrative and other expenses took £3.01m (£2.78m).

The net interim dividend has been lifted by 25 per cent to 2.5p. In the last full year a total of 8p was paid from pre-tax profits of £40.41m. Midway earnings per 25p share rose from 5.2p to 6.6p.

The directors of this property investor point out that in January they took advantage of market conditions and issued £70m of debenture stock with a 40 year life. This enabled the group to replace short term floating rate loans with long term fixed interest finance. They say that the group is in a strong financial position with adequate funds to meet prospective commitments.

After other income of £6.26m against £5.87m, the cost of finance came to £16.14m compared with £16.33m. The directors say that interest capitalised to development properties, which has been deducted from the cost of finance, amounts to £3.71m (£2.92m).

Tax amounted to £8.11m (£8.34m). The directors say that the reduction in the corporation tax rate proposed by the Finance Bill 1984 is of greater significance to the group than increases in tax arising from other proposals in the Bill. They believe that the changes will be beneficial to the group.

Earnings per ordinary share are calculated on the revenue profit attributable to ordinary shareholders of £13.46m—an advance on last time's £10.58m. The attributable balance was struck after extraordinary credits added £17,000 (£713,000) which were transferred to other reserves.

Ordinary dividends will absorb £5.11m (£4.09m) leaving retained revenue profits up from £6.49m to £8.35m.

● comment

MEPC's stolid 14 per cent profits increase was a little below the City's expectations, and in a day when the market was taking no hostages, the shares dropped only 9p to 262p, valuing the group at £534m. Property trading profits declined sharply to £128,00 and look set to continue that trend in the current half. Meanwhile, the 7 per cent increase in rental income reflects a lack-lustre period for development completions. There are no major completions on the books in the immediate future, and the group says the pattern of rent reviews is unlikely to change. On the bright side, MEPC has embarked on the second phase of the Dallas office project which attracted anxiety last year, and Australian property values and rentals are picking up strongly. If the UK property market follows suit, net assets could rise to perhaps 420p a share by the year-end, which would put the shares at a larger than average 38 per cent discount to asset value at yesterday's price.

Phoenix stays in the black

DESPITE THE severe winter weather on both sides of the Atlantic, **Phoenix Assurance** recorded a pre-tax profit of £2.4m in the first quarter of this year.

This was less than half the £5.6m for the corresponding period of last year; but most other composite insurance groups have reported pre-tax losses on their operations for the first three months of this year.

Underwriting losses deepened in the period from £14.9m to £19.4m, while investment income improved 4 per cent in sterling terms from £18.9m to £19.8m—the underlying increase in local currencies being 8 per cent. Profits from long-term business in the period rose from £1.5m to £2.1m.

After tax and minorities there was a net profit of £1m in the first quarter — one-third of the £3m of the comparable period. Earnings per share were reduced from 5p to 1.6p.

General insurance premiums fell marginally from £133m to £129.1m, the drop in original currencies being only 0.5 per cent.

Disclosing the figures at yesterday's AGM, Mr Jocelyn Hambro, the chairman, told shareholders that disregarding the weather, there were indications that measures taken to improve underwriting were having a modest but encouraging effect on results. However, this had had its effect on premium revenue.

Weather claims in the UK and Republic of Ireland were some £3m more than in 1983 and the underwriting loss rose from £7.3m to £9.6m.

Therefore, Phoenix, unlike other composite insurance groups, was not as badly affected this year as in 1982, when extreme weather claims cost some £8m. The company is far less heavily involved in the house buildings insurance market and its geographical spread of business was in its favour this year.

The UK motor account, though still in a loss situation, showed nothing out of the ordinary.

In the U.S., where the company operates through the Continental pool, underwriting losses were £4.1m against £3.6m, with weather conditions being a factor.

The U.S. operating ratio in the period was 115.3 per cent—higher than the 112.8 per cent in the first quarter but lower than the 117.8 per cent for the whole of 1983. Indeed the ratio for the first quarter is some five points better than the U.S. industry average.

Heavy storm claims and a return to more competitive conditions resulted in an underwriting loss of £2.1m in Canada.

● comment

Although affected by the severe bad weather this winter, Phoenix Assurance seems to have avoided the bloodbath other composites have taken on both their UK and U.S. business. The underlying trend in the UK, stripping out the weather losses, shows a modest improvement, with the major motor account stabilising and the benefits of rate revisions on house contents insurance to take account of the high theft risk now paying off. The U.S. results under Continental's management are far less severe than the horrific losses generally hitting U.S. companies. The favourable cycle in Canada was short-lived and the next downturn has well and truly started. However, Phoenix should make up the lost ground over the rest of the year to at least match last year's £24m pre-tax profits. The 14p drop in share price to 416p, yielding 6.8 per cent gross, owes more to general market weakness than to these results and is still underpinned by bid prospects.

Jackson Group earnings and payment rise

Jackson Group, the East Anglia construction and industrial services undertaking, increased its profit by 9 per cent in 1983, from £1.03m to £1.13m. Turnover advanced 25 per cent to £29.36m, with every subsidiary contributing to the year's progress.

All companies have satisfactory levels of orders and the directors look to the future with confidence. They are lifting the gross dividend from 4.5p to 4.9p with a final of 2.23p. The shares are traded on the Over-the-Counter Market made by Granville; at December 31 they were backed by an asset value of 119p, against 111p a year earlier.

After tax £28,295 (£40,504) and minorities £5,522 (£16,644), the attributable profit came out at £1.09m (£969,000). Earnings are 21p (19.2p) per share.

The group has recently entered the property field and has set up companies to handle investment for rental income and development for disposal.

F. J. Construction has a promising workload for the current year, and F. Ingram continues to experience good demand for its traditional services.

UK COMPANY NEWS

Smith Bros surges over £5m and lifts dividend 66%

THE SECOND half of the 1983-84 year "really took off," said Mr Tony Lewis, tha chairman of Smith Bros, following yestarday's announcement of record pre-tax profits of £5.07m against £3.48m.

He pointed out that an "increasing volume and a rising market is always a background against which a jobber should make money and we had a particularly good trading experienre."

Profits in the second half rose sharply by £1.6m to £4.27m following a virtually static opening period which returned £802,000 compared with £811,000.

Shareholdars can look forward to a doubled final dividend of 4p, which lifts the total payout by 66 pec cent from 3p to 5p net for the year to April 27 1984.

Earnings per share advanced from 18.3p to 24.9p with after-tax profits higher at £3.11m (£1.64m). Dividends will absorb £669,000 (£257,000) to leave a retained profit of £2.44m (£1.38m).

In Decembec, Smith Bros became the second securities firm lo form an alliance with a merchant bank. The deal, worth £6.5m, was with N. M. Rothschild & Sons which has taken a 29.9 per cent staka in tha company.

Commenting on this yesterday, Mr Lewis said "the group has benefited not only from the financial help given by the Rothschild's group but also by their support.

"There is no doubt that the name of N. M. Rothschild has given us soma enhanced status and it has rertainly had an impact on our business."

The new jointly owned international dealing operation started trading on April 30 and Mr Lewis said he was "not unhappy" with tha first few weeks.

Within the next six months Smith Bros plans to move this oparation to premises opposite Rothschild's in St Swithins Lane in the City.

It is planned eventually to move tha whola Smith Bros firm from its London Wall headquarters to the sama building by Rothschild's.

"In our minds we are partners and the more benafits we can draw from our association the more sense it makes," Mr Lewis said.

Stock Exchange rules currently prevent Rothschild's from increasing its holding but once they are relaxed Mr Lewis has no doubts that tha marchant bank would wish to increase its stake.

In fact, "Rothschild's have made no secret of the fact that they want eventually to increase their stake," Mr Lewis said.

He noted that the cash injection from the Rothschild investmant together with last year's rights issua proceeds quadrupled Smith's capital hase and increased its ability to "compete in trading terms."

Smith Bros openad its Naw York offire last Octobac, which, Mr Lewis said, "has got off to a very promising start."

Agora, tha New York dealing associata that went inlo the red at the intarim stage, recovered in the second half of the Smith Bros financial year to around break-even.

● comment

The quantum laad in Smith Bros' profits between the first half and the second—from £0.8m to £4.2m—looks a striking vindication of last yaar's additions to tha capital hase, not to mantion its naw link with frlands in high places. The jobber was claiming yestarday to have seen a far highar proportion of big orders in tha wake of both davelopmants, which should ba food for thought to one or two of the City's committees on reform. Smith has also has an encouraging second half alsewhere, notably on its intarnational business whare a New Yock office was sat up last October. Initial costs bera have held overseas operations to breakevan, but this improves on losses in the prior yaar and helps explain the useful reduction in tha tax rate from 53 to 39 per cent. There has also apparently been some write-back of defarred taxes to reflect future rata reductions. Yestarday's markat, though, was not the place for any financial company to be seen reporting figures and the shares closed down 8p at 95p—the price paid by N. M. Rothschild, in fact, for most of its 29.9 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Data of payment	Corre-sponding div.	Total for year	Totai last year
Anglo-Inde	3†	July 30	1	4	1
Chapman	5.8†	July 19	5.5	8	7.5
Coalite Group	4.13	July 30	3.5	5.8	5.05
Dunhill	8	July 26	7	14	12
Globe Investment	5.25	July 27	4.75	9	8.3
Hardanger‡ int.	2.8	July 2	2.8	—	9.8
Harrisons & Crosfield	26	July 27	23.5	34	31
Investment Co	1.23	July 31	1.75	1.93	1.75
Leeds Group int.	1.75	July 2	1.5	—	4.5
MEPC int.	2.5	July 12	2	—	8
M & G Second	4.04	July 17	3.7	8.54	8.05
Smith Bros	4†	July 20	2	5	3
Tate & Lyle int.	6.5†	July 27	4.5	—	16

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issua. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

MINING NEWS

Gold Fields cautious over future price

BY GEORGE MILLING-STANLEY

"WHAT IS remarkable about the price in 1983 is that it hald up so well," Miss Louise du Boulay said yestarday in response to a question about the comparatively disappoinung performance of the gold prtce.

Miss du Boulay, author of "Gold 1984," Consolidated Gold Fields' authoritauve annual survey of the world gold market, polnted out that contrary to the atmosphere of gloom and doom in tba market, tha prica actually improvad a litta from tha 1982 lavel of U.S.$374.96 pec troy ounce to average $423.68.

This, she added, was achieved in spite of a number of factors which might reasonably have been axpectad to driva the gold price even lower.

Chief among these was the strength of the U.S. dollar against virtually ali othar currencies, which, apart from making dollar investments more attractive than holding gold, also made tha metal more expaosive to pucchase in any currency othar than the dollar.

The prire in local currancies emecged as the greatest singla influence on the gold market last year. With tha pcire in terms of the Italian lira, tha pound sterling and the Hong Kong dollar at or close to the historic highs reached in early 1980, it is hardly surprisiog that demaod fell heavily.

The higher prica availabla in all non-U.S. centres made dishoarding, the sala of old stocks in pcivate hands such as jawellery, much more attractiva. This graatly increased tha total supply of gold to the market.

For tha remaindar of this yaar, the raport says, tha performance of the dollar remains paramount. Miss du Boulay expects the narrower trading range established last year to be maintained, with continued strong support at around the $370 level and substantial profit-taking and dishoarding becoming evidant as the price edges up towards tha $400 mack.

Tha picture is likely to remain similar to this until the dollar weakens, Miss du Boulay added.

The dapressant effect of tha high price in local currency tarms covared just about all of the usual main components of demand, from tha all-important carat jewellery through industrial uses such as electronics and dantistry.

In this contaxt it was noteworthy that only the U.S. and Japan, which had the strongest currencies among the major centres, experianced any substantial increase in demand, and these were not sufficient to offset the declines elsewhare.

Mine supply, the report points oul, continued on the rising trend establishad in 1980, and is now at 1,088 tonnes not far short of the levels of a decade ago.

The share of the total accounted for by South Africa, the biggest singla producer by a considerable margin, fell last year from 79 per rent to 62 per cent, even though the country's output expandad from 664 tonnes to 680 tonnes.

This is explained by some big increases in production elsewhere, notably Canada, Australia, and most particularly Brazil. The laat-named saw its output jump from 34.8 tonnes to 51 tonnes, overtaking the U.S. to take third plare amoog the western world producers.

Miss du Boulay axpects a further increase in production this year, boosted by the big new Ok Tedi mina in Papua New Guinaa.

A sharper rise ia in prospect for 1985 and 1986, Miss du Boulay believes, led by the start of production at the McLaughlin Mine of Homestake Mining in California and tha three mines now under constructioo at Hemlo in north-western Ontario.

With the main components of demand for gold down in 1983, while tha total supply increased, thare was a surplus of something like 300 tonnes in supply ovec demand. In the past faw years, any similar surplus has been assumad to have been absorbed by investmant demand, which is extremaly difficult to quantify in any other way.

In 1983, however, Miss du Boulay was told that there was virtually no investment demand, and the ooly axplanation she was able to adduce as to what had happaned to tha big surplus was to suggast that this must in soma way still be in tha markat, pechaps held as trading stock by the now very larga number of traders of the metal.

Apart from that, Miss du Boulay pointed to the difficulty of obtaining an accurata assessment of savaral components of damand, notably the amonnt of purchases of gold bars for investment and full details of transactions between rertain central banks.

On a brighter note, there are faw grounds for optimism about the gold market in the remainder of this year, subject of course to the performance of the dollar.

Demand for jewellery is reported to be improving in many ceotres as the economic recovery becomes more widespread, with particularly strong showings from Japan and the Middla and Far East.

Beyond that, there are signs of an improvement in fabrication demand for non-jewellery purposes, although any real recovery in this area will not come about until the noo-dollar price of gold falls.

Gold 1984 is obtained from Consolidated Gold Fields of 49 Moorgate, London EC2R 6BQ.

M & G Second

Revenne of the M & G Second Dual Trust improved from £1.15m to £1.22m over the year to May 31 1984 before deducting tax of £366,307, compsred with £345,197.

Nat asset value per 4p capital share at May 30 totalled 145.39p (106.87p) and a final dividend of 4.04p (3.92p was forecast) lifts the nel total from 8.05p to 8.54p.

Globe Trust achieves all-round expansion

IN THE year ended Macch 31 1984 Globe Investment Trust has hown all round improvement, with increases in lis earnings, dividand, and valua per share. The trust is a member of the Electra House Group.

Consolidated accounts ahow that basic earnings for the year have riseo from 8.23p to 9.24p, and fully diluted from 8.1p to 9.05p. The final dividand is pushed up to 5.25p to give a total of 9p nat, compared with 8.3p in 1982-83.

Ovar the 12 month period, the net asset value increased by 26.6 per cent, from 269.37p to 341.02p basic. On a fully diluted basis the valua came to 322.82p, against 257.04p.

Aftec taking professional advice the direclors considec that a conservative valuation of Tyndall Group, tha financial services subsidiary, is £30m. That has been taken into the balance sheet and adds 12p to the net asset valua par share; previously Tyndall had been included at tangible net worth.

Also, with professional advice, they have revalued in the sum of £4.6m the freehold propertias Electra House and Arundel House, and this adds 2p to the asset value.

The group's invasiments were distributed as to Great Britain 67.48 (66.59) par cent, North America 19.77 (19.22) pec cent, Far East 11.06 (12.74) pec cent, and other markets 1.69 (1.45) pec cent.

Gross investment earnings of the trust were up £1.53m to £27.31m and subsidiaries provided £t.5m (£t.12m), while at the pre-tax level tha contributions were £22.27m (£20.12m) and £1.11m (£...622,000) respectively.

Tax takes £8.29m (£7.5m)

Spectra placing on the USM

Hill Samuel is placing around 2m shares, equal to 37 per cent of the equity of Spectra, a Newquay-based manufacturar and distributor of car cara products.

The shares, at tha 65p placing prica, will sell on a p/e of 13 and give a market capitalisation for the company of £3.65m. Dealings are axpacted to begin on the Unlisted Securities Market next Monday.

Spectra, which has motocycle champion Barry Sheene as a non-executiva director and effective promotec of its products, has been a wholly-owned subsidiary of Sandhurst Marketing, which reduces its stake to 63 per cent after the placiog.

Sandhurst Macketing, a specialist in tha marketing aod distribution of stationery and office equipment, dalayed tha flotation by several mooths wheo it decided in tha autumn to acquice Dynaglaze to complament the range of Spectra car care products.

The placing will raise £1.2m for Spectra of which £550,000 will be used to repay loans from Saodhurst. The balance will provida additional working capital to help the company increase its share of an estimated £150m market.

In the year to January 1984, Spectra mada pre-tax profits of £354,000, up from £231,000, on turnover of £3.77m compared w £2.84m.

Rowe & Pitman are brokers to the issue.

BIDS AND DEALS

Coleman Milne owns 28% of Henlys

Coleman Milne, which is subject to an agreed bid from an investment subsidiary of the Hawley Group, said yesterday that it has raised its holding in the garage group Henlys to 3.95m shares, equal to 28.2 per cent. Its latest purchase was 150,000 shares.

Hawley Group and British Car Auctions, which together own 64 per cent of Coleman Milne, yesterday announced plans for the Hawley investment subsidiary, Midepsa of Canada, to bid for Coleman Milne and to buy a number of other minority stakes in various companies.

The agreed bid for Coleman Milne was made after discussions with the Stock Exchange, after which the company recognised that its purchases of Henlys and Lotus shares could jeopardise its USM quotation.

Henly's shares fell 1p yesterday to 119p and Coleman Milne gained 3p to 63p, compared with the 60p a share cash alternative offer which values the company at £9.8m.

* * *

The offer by D & B Investments, a subsidiary of Dun & Bradstreet Corporation, for Datastream has been accepted in respect of 7.43m shares, equal to 55.8 per cent of the existing capital. The conditions as to acceptances have been satisfied. The offer remains open.

Jefferson Smurfit buys 9% of U.S. paper company

Jefferson Smurfit, the Irish packaging group, has bought a 9 per cent stake in Arizona-based Southwest Forest Industries, a medium-sized paper concern, and is discussing a "possible transaction" with the company.

The U.S. operations of Jefferson Smurfit are somewhat larger than those of Southwest Forest.

Yesterday Jefferson refused to elaborate on the type of "transaction" it had in mind but Wall Street analysts said they believed it was preparing to make a bid for the company, which lost money in 1982 and 1983.

At Jefferson Smurfit's Dublin headquarters, Mr Robert Holmes, chief financial officer, said the company expected to make an announcement within the next few days.

Southwest Forest Industries is relatively highly leveraged and the recent rise in U.S. interest rates led to management abandoning plans earlier this month for a $650m (£469m) leverage buyout.

The proposed deal, at $24 per share, valued the company at $312m. It also included a refinancing of $338m of debt.

However, the group of investors, led by Morgan Stanley, decided to drop the deal after certain banks which were to have provided a major part of the debt financing withdrew their support.

Southwest Forest is an integrated forest products company engaged primarily in the manufacturing and distribution of pulp, newsprint, linerboard, corrugated containers and building products.

The company has private cutting rights on approximately 605,000 acres of timberland and operates 80 plants in 23 U.S. states.

In 1983 the company made a net loss of $24.7m on turnover in excess of $600m. In the first quarter of 1984 it made a net profit of $3.41m against a loss of $6.85m.

C. Rothschild £11m equity sale

Charterhouse J. Rothschild yesterday sold 2.5m ordinary shares of Woolworth Holdings at 446½p each, bringing £11.15m to the merchant bank and financial services group. Woolworth shares fell 12p yesterday to 453p.

The sale, mainly to institutional clients of Rowe and Pitman and Morgan Grenfell, was made on the grounds that Woolworth's success and share price rise had made the Woolworth stake a disproportionately large part of Charterhouse J. Rothschild's investment portfolio.

Charterhouse J. Rothschild's former holding of 3.67m ordinary shares gave it a 5.4 per cent stake in the ordinary share capital. But it said yesterday that it was retaining options on just under 2m ordinary shares, exercisable over the next three years, as well as £4.2m of 11 per cent convertible unsecured loan stock.

If all the options and conversion rights were exercised, it would have a 6.3 per cent interest in Woolworth's enlarged share capital. Charterhouse J. Rothschild said it planned to retain the Woolworth shares as a long-term investment.

● The Kitcat & Aitken new staff pension fund has acquired 100,000 ordinary shares in Charterhouse J. Rothschild, in a deal worth £92,940.

The fund acquired its stake at 92¹⁵⁄₁₆p per share. At the close of trading yesterday Charterhouse J. Rothschild's shares stood at 82p down 6p.

Mr Nils Taube, a director of Charterhouse J. Rothschild, is a trustee of the fund.

Charterhouse J. Rothschild holds a 29.9 per cent stake in the Kitcat & Aitken stockbroking firm.

Waterford and Carroll talks may end in deal

Waterford Glass, the Irish-based crystal glass manufacturer, said yesterday that it had begun talks this week with Carroll Industries, Irish tobacco company, which may lead to "some form of association between the two companies."

The discussions are still at an early stage. Last month, Waterford said a number of interested parties had commenced discussions which could lead to an offer for Waterford. It had been widely thought that only a non-Irish company would be able to afford to buy Waterford, which is Ireland's fourth largest company.

* * *

Acceptances have been received in respect of 3,277,598 shares (approximately 90 per cent) offered by the Albert Fisher Group in a recent one-for four rights issue.

* * *

Bridon subsidiary, Morlock Industries, has agreed to sell the major part of its assets (excluding freehold property) to Ellison Lockwashers of Bingley, West Yorkshire, for approximately £476,000. Completion is expected to take place on June 4.

* * *

Quest Automation has acquired Softlex, now renamed Padmede Software Services, by the issue of 400,000 ordinary shares.

* * *

Morgan Grenfell has purchased 50,000 ordinary shares in Martin The Newsagent at 343p (approximately 0.4 per cent). Guinness and Morgan Grenfell together own or have received irrevocable undertakings in respect of 4.1m ordinary shares (31.1 per cent).

* * *

Royal Group, the U.S. holding company of Royal Insurance, has finalised the acquisition of Silvey Corp, for a cash purchase price of $50.7m (£36.58m).

* * *

Carclo Engineering Group—Lawrie Group holds 220,000 ordinary (5.5 per cent) and 11,500 10 per cent convertible redeemable preference shares 1,999 (0.65 per cent).

SHARE STAKES

John Beales Associated Companies — Perelle Nominees now hold 310,000 shares (9 per cent).

Lyle Shipping—Scottish Amicable Life Assurance Society and its associates now hold or control 696,950 (previously 746,950) shares (6.96 per cent).

P and O—Sterling Guarantee Trust now owns 5,870,000 deferred stock units (4 per cent).

Murray Electronics—Legal and General Assurance Society now holds 1.82m shares (6.07 per cent).

Murray Clydesdale Investment Trust—The Merchant Navy Officers' Pension Fund now holds 9.35m shares (7.06 per cent).

Aldcom International — The Prudential Corporation group of companies, together with segregated funds managed on behalf of its clients, is interested in 1,078,500 ordinary (6.4 per cent).

Macfarlane Group (Clansman) —Sir Norman Macfarlane has disposed of 275,000 shares and now holds 1,276,171.

William Leech — Mr J. R. Adamson, a director, has a beneficial holding of 290,170 shares, and as a trustee a holding of 300,000 and 60,000 held under settlements of Mr J. Adamson deceased.

Kwik-Fit (Tyres and Exhausts) —Mr D. Whyte, a director, has acquired a further 10,000 shares at 40p each.

Benjamin Priest—Saint Piran now owns 1,700,000 shares (10.047 per cent).

Jessups—Prudential nominees have an interest in 460,000 shares and Vanburgh Pensions is interested in 235,000.

McCarthy and Stone—Mr W. F. Stone, a director, has disposed of 618,325 shares at 435p each and now holds 3,550,000 (17.04 per cent).

Stewart Plastics—Mr C. Dugan-Chapman, a director, has disposed of 225,000 shares at 109¼p each and now holds 6,910,250 (30.394 per cent). Mrs M. E. Dugan-Chapman, a director, has disposed of 25,000 shares at 109¼p per share and now holds 801,107 shares (3.524 per cent).

Avon Rubber—Morgan Grenfell Special Exempt Fund owns *400,000 shares (6.03 per cent).*

Aberdeen Construction — Scottish Northern Investment Trust has increased its holding of ordinary to 985,000 (5.95 per cent).

Olives Paper Mills—Fado Investments has acquired an amount exceeding 6 per cent of the issued equity share capital by way of nominee holdings.

Second Alliance Trust—Standard Life Assurance has acquired a further 45,000 ordinary stock units bringing its holding to 1,186,800 (6.181 per cent).

Petrocon Group—P. G. P. Hodgson, chairman and chief executive, has acquired a further 140,000 ordinary shares, bringing his total to 962,150 shares. His non-beneficial shareholding remains at 170,000 shares.

Steel Bros Holdings—Bricomin Investments' interest has been increased to 5,904,715 shares (42.02 per cent).

Wyndham Engineering—Control Securities has disposed of 100,000 shares. Luxembourg Estate has acquired 70,000 and Immomundus AG of Vaduz Liechtenstein has acquired 70,000.

Wingate Property Investment —S. A. Wingate, director, sold 346,326 ordinary shares reducing his total holding to 943,491 (6.90 per cent). He remains interested in a further 1,915,832 ordinary (14 per cent).

Planet Group—B. W. and M. W. Smith and family interests acquired 5,000 ordinary shares bringing total holding to 6.52 per cent.

Ropner—Sir John Ropner sold 25,000 "A" ordinary shares.

Aberdeen Construction Group —Scottish Northern Investment Trust have increased their holding of ordinary shares to 985,000 (5.95 per cent).

James Ferguson Holdings—Rights issue was accepted in respect of 1,242,403 ordinary shares (64.6 per cent). The remaining 681,697 shares were taken up by the underwriters.

Mills and Allen International —H. L. Annand, a director, has sold 20,000 ordinary shares.

Extel Group—K. C. S. Young, a director, has disposed of 58,000 ordinary shares on behalf of his wife at 591.125p.

Bootham Engineers — R. M. Stanley, a director, has acquired 8,488 ordinary shares and now holds 20,000 shares, and D. J. Ashton, a director, has acquired 15,022 shares and now holds 21,136 shares (2.03 per cent).

Garfunkels — R. Kaye, a director, has sold 50,000 ordinary shares and now holds 850,000 shares (15.9 per cent).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Thomas Borthwick, M & C Group.

Finals: Contreway Industries, Edbro, Energy Services and Electronics, Freshbake Foods, Habitat Mothercare, Lynton, Manor National.

FUTURE DATES

Interims:

Associated Energy Services	June 14
KLP	June 13
Williams (John) of Cardiff)	June 7

Finals:

Case	June 5
Cobra Emerald Mines	†June 6
Combined Technologies	June 4
Minemoe	June 4
Plysu	June 6
Premier Consd. Oilfields	June 12
Sound Diffusion	June 8

† Amended

Public Works Loan Board rates

Effective May 30

Years	Quota loans repaid by EIP†	Quota loans A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota A‡	Non-quota repaid at maturity§
Three	11¾	11½	12	12¾	13	13
Over 3, up to 4	11¾	11¾	12¼	12¼	13	13
Over 4, up to 5	11½	12	12¼	12¾	13	13
Over 5, up to 6	12	12⅛	12⅜	12⅞	12¾	12⅞
Over 6, up to 7	12¼	12⅜	12½	12⅞	12¾	12⅞
Over 7, up to 8	12⅜	12½	12⅝	12⅞	12¾	12⅞
Over 8, up to 9	12¼	12½	12½	12⅞	12¾	12⅞
Over 9, up to 10	12½	12⅝	12½	12⅞	12¾	12⅞
Over 10, up to 15	12⅛	12¼	11⅞	13	12⅝	12⅛
Over 15, up to 25	11¾	11½	11⅞	12⅜	12	11⅞
Over 25	11½	11¼	11¼	12	11⅞	11¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
1st qtr.	99.5	94.4	86	105.5	115.9	3,003	124
2nd qtr.	99.5	94.1	92	107.3	119.7	2,937	135
3rd qtr.	101.5	96.0	94	108.3	124.0	2,950	160
4th qtr.	102.9	97.1	95	110.3	151.4	2,941	162
October	102.2	96.4	92	109.0	130.4	2,941	167
November	102.5	96.5	93	118.9	141.0	2,937	163
December	104.0	98.5	99	111.0	176.6	2,946	155
1984							
1st qtr.	102.8	97.4		108.5	123.5	2,998	147
January	104.5	98.6	98	107.7	123.4	2,976	148
February	102.7	96.5	93	109.5	122.4	3,005	145
March	101.3	97.0		108.3	124.5	3,013	147
April				112.3		3,012	148

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
1st qtr.	95.7	91.6	105.0	93.0	99.8	88.8	18.1
2nd qtr.	95.6	90.0	105.8	92.2	104.2	88.8	20.6
3rd qtr.	97.1	91.2	108.5	93.9	104.5	90.1	17.5
4th qtr.	97.9	92.3	110.1	95.2	108.3	92.1	15.9
September	97.0	91.0	110.0	93.0	106.0	91.0	18.3
October	98.0	91.0	109.0	94.0	110.0	91.0	18.5
November	98.0	91.0	110.0	94.0	104.0	92.6	18.2
December	98.0	95.0	111.0	98.0	111.0	94.9	11.0
1984							
1st qtr.	97.8	92.1	110.3	95.2	112.8	90.6	18.2
January	98.0	95.0	112.0	97.0	116.0	91.0	14.0
February	97.0	91.0	111.0	94.0	107.6	89.0	16.0
March	98.0	91.0	108.0	94.9	116.0	92.0	18.6

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
1st qtr.	102.3	104.5	+203	+1,094	+1,801	97.9	17.34
2nd qtr.	100.3	106.6	−460	− 37	+1,551	98.1	17.71
3rd qtr.	99.3	106.6	−248	+653	+1,521	99.2	17.90
4th qtr.	107.4	112.7	+ 5	+339	+2,123	98.6	17.82
September	102.0	107.2	+ 52	+352	+525	99.5	17.90
October	103.2	118.0	−423	−312	+561	98.5	18.16
November	104.8	108.2	+ 71	+183	+661	98.7	18.10
December	114.3	112.1	+358	+469	+901	98.7	17.82
1984							
1st qtr.	109.5	113.2	− 59	+691	+2,316	97.4	16.75
January	101.8	111.7	−324	− 74	+719	98.1	17.78
February	115.4	118.2	+492	+742	+821	87.4	17.98
March	111.3	117.0	−227	+ 23	+776	96.9	16.75
April	104.4	122.9	−838	−588	+370	96.7	15.94

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,520	10.50
2nd qtr.	15.3	14.6	15.0	+5,087	1,071	2,540	9.50
3rd qtr.	8.5	8.4	24.6	+1,491	2,098	2,646	8.50
4th qtr.	16.4	8.8	18.9		2,745	2,818	9.00
September	0.6	2.1	29.7	+ 71	834	892	8.50
October	9.6	4.8	22.8	+1,779	987	878	8.00
November	7.5	6.8	22.6	+1,413	879	958	9.00
December	15.3	15.2	11.9		888	981	8.00
1984							
1st qtr.	10.1	8.2	13.8		2,609	2,914	8.50
January	7.6	11.5	12.3		926	969	9.00
February	7.8	8.6	12.4		954	1,007	9.00
March	14.9	7.1	16.1		729	938	8.50
April	23.4	7.4	17.3		683		8.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
1st qtr.	144.7	124.6	121.8	327.6	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.0	124.7	125.1	338.0	316.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
October	151.7	126.2	126.2	340.7	314.5	283.18	83.4
November	152.8	127.4	126.8	341.9	316.1	288.16	83.7
December	155.1	131.6	127.3	342.8	318.6	298.50	82.5
1984							
1st qtr.	153.5	133.5	129.0	343.9	321.7	308.67	81.7
January	152.7	133.5	128.0	342.6	319.8	295.75	81.9
February	153.7	134.2	128.8	344.0	321.4	291.34	82.2
March	154.6	132.0	130.2	345.1	323.8	308.67	81.0
April		133.7	131.6	349.7	327.3	305.89	80.1

* Not seasonally adjusted.

H & C lifts dividend as profits show £12m rise

AN IMPROVED performance during the latter part of 1983 helped Harrisons and Crosfield, the plantation, commodity and industrial combine, to a pre-tax profit of £56.63m for the year, an advance of £12.16m over 1982. The UK and Europe showed particular improvement.

The final dividend is raised to 26p for a total of 34p net, against 31p, and there is to be a 1-for-1 scrip issue. Both the final and the scrip will be on capital of £60.91m, reduced following the cancellation of £1.44m held by a subsidiary.

In the opening months of the current year the improved performance has been maintained, the directors report. More optimism exists about the economic conditions which affect the business in North America, and commodity prices remain firm.

Profit before interest for 1983 came to £65.7m (£59.09m) including share of related companies, and by products was split as to: plantations £22.13m (£24.56m); chemicals and industrial £13.88m (£6.14m); timber and building supplies £11.63m (£7.95m); general trading £6.82m (£6.45m); finance £9.9m (£3.93m); and property disposals £1.34m (£10.07m).

Although crops were lower because of prolonged drought, the setback was more than offset by buoyant sentiment for rubber, palm oil, cocoa, coffee and tea, which enhanced returns considerably. The firmness has persisted into 1984 particularly in respect of the edible commodities as a result of the improved economic climate.

In chemicals and industrials, considerably better profits were earned by all the manufacturing and distribution units in UK and Europe, but optimum figures have not yet been reached in all cases. The position in North America is less pleasing and some companies continue the struggle to maintain sales and market share even at lower margins. Conditions are, however, improving.

A geographical breakdown of the profit shows: UK £29.26m (£11.43m); Asia £26.19m (£38.39); North America £2.3m (£4m); and elsewhere £7.94m (£5.27m).

Turnover rose from £952m to £1.1bn. After tax £25.45m (£14.52m) and minorities £474,000 (£2.25m), the attributable profit is £30.7m (£27.69m) with earnings at 49.1p (44.3p) per share.

The main reason for the higher tax charge is that the 1982 profits included £10m property disposable profits which were not subject to tax. There is an extraordinary debit of £4.52m in respect of adjustments for the 1984 Budget, against a £73.9m credit last time which related to the surplus on disposal of shares in Harrisons Malaysian Estates and related transactions.

● comment

Profits from Harrisons & Crosfield were at the top end of market expectations and the shares shot up 37p before falling back to 750p as the market retreated. Given the reduction to 30 per cent of its stake in HMPB, the plantations division performed well and with the drought over and commodity prices holding well, looks set to increase profits this year. The timber and building supplies division has overcome the problem of tight margins on timber by a healthy performance in the building supplies business which includes DIY. Further growth is expected possibly assisted by the possible opening of new depots. The poorest performer is general trading in the East although the division as a whole edged forward in profits. Harrisons & Crosfield is in a strong position with no net borrowings and a sizeable acquisition could be just round the corner. Commodity markets and weather permitting, the group should exceed £70m pre-tax profits in 1984 which puts the shares on a p/e of 12.

Leeds Group surges to record £637,000 midway

AN EXCELLENT half-year has been experienced by Leeds Group. Profit has increased from £509,000 to a record £637,000 in the six months ended March 31 1984 and the interim dividend is lifted from 1.5p to 1.75p net per share.

The directors state that investment income is reduced by lower interest rates, but the liquidity remains substantial. All branches of Leeds Dyers are operating near capacity and prospects for the second half are encouraging.

A regular, if modest, income is being received from the American oil and gas interests. In line with their conservative policy, the directors have decided to write down the balance-sheet value of those assets to a nominal figure.

West Yorkshire Insurance, in which Leeds has a 40.45 per cent share, is trading successfully. An opportunity to write a new class of business has required a further injection of equity, of which the company's share was £133,500.

The company has acquired from the receiver the fixed assets of Allen Thornton and Sons (1982), for £235,000. This company traded in a similar market to Scott and Rhodes, and the directors believe that this move will enable the company to significantly increase market share.

It is planned to dispose of the land and buildings, and the additional business will complement the new capacity being installed at Scott and Rhodes.

Group turnover in the half year rose from £4.29m to £5.1m. After tax £250,000 (£100,000) the net profit came to £387,000 (£409,000) for earnings of 6.2p (6.6p) net per share. At the year-end there will be an extraordinary item expected to approximate £2.1m. That comprises £1.7m relating to previously deferred tax following the Budget changes, and £400,000 net of tax as a provision against the balance sheet value of the Leeds Energy American assets.

Overseas side helps GRE first quarter

Mr Tim Collins, chairman of Guardian Royal Exchange Assurance, told shareholders at yesterday's annual general meeting, that unlike many other composite insurance groups, GRE's experience in the first quarter of this year had been mixed. The deterioration in the UK and U.S. over the period had been largely offset by a strong improvement in Australia and better than expected results from West Germany and Canada.

He admitted that the overall picture was not as good as a year ago. But he told shareholders that "we are by no means looking at a pre-tax loss for this quarter."

Phoenix Properties

Phoenix Properties & Finance staged a £87,000 turnround to the black with profits of £22,000 in the year to end-September 1983. In yesterday's edition, due to an agency error, last year's comparable figure was inadvertantly given as a profit.

Euro Ferries unveils details of changes in fare discounts

MOST SMALL shareholders in European Ferries are more interested in their fare concessions than the ability to vote on group matters, the company said yesterday as it gave full details of its proposed switch in the concession from ordinary shares to a new class of preference stock.

The issue has become a controversial one. EF said three weeks ago that it wanted to change the basis of the 25-year-old concession under which holders of at least 300 ordinary shares receive fare discounts of up to 50 per cent.

To do this, it is creating new 5 per cent preference shares. After January 31, 1985, only holders of these will qualify for the concession, which EF said it will maintain for at least another 15 years.

Shareholders will be able to exchange their existing ordinary shares on a one-for-one basis for the new preference shares with the continued concession, or for ordinary shares in a new holding company, European Ferries Group, or for a combination of both.

The group said the fare concessions had become so popular that new individual shareholders were joining at a rate of 20,000 a year. Present share capital is £69.4m in 25p shares.

Last year, the concessions were used on more than 80,000 return trips. The value of the discounts on these totalled over £5m, and is rising steadily.

There are now more than 160,000 individual shareholders; an increase of 60,000 over the last three years. Holders of 300 or more new preference shares will qualify for full discounts up to January 1, 1988. After that, the threshold rises to 600; holders of 300-599 will then be entitled to half the concession.

Anglo-Indo tops £1m and pays more than forecast

REFLECTING improvements in almost all companies within the group, including sharply reduced losses by the Brazilian operations, the Anglo-Indonesian Corporation swung from a deficit of £449,000 to pre-tax profits of £1.13m for the 1983 year.

And, compared with a forecast of 3p made last September at the time of the rights issue, the dividend for the year is being increased from 1p to 4p net per 25p share on the enlarged capital in view of the improved financial position.

Earnings totalled 12.4p (loss 7.2p) per share.

Turnover for 1983 advanced from £9.01m to £26.88m—the group has interests in tea and rubber estates and in engineering.

The plantation operations benefited from higher tea and rubber prices and a 28 per cent devaluation of the rupiah in March 1983 which "dramatically" improved export earnings of the Indonesian estates.

Conditions for the Brazilian tool activities continued to be difficult in the opening half but following rationalisation measures the operations were trading profitably by year-end—the losses were cut by £261,000 to £228,000.

Edenspring outlook improving

THE INTERIM results of Edenspring Investments for the period from incorporation on January 19 1983, to December 31 show the company incurred a pre-tax loss of £380,537 on a turnover of £5.75m.

The figures include trading losses for six months of Oric Products International, acquired last November.

Since the acquisition of Oric the group has concentrated its operations on the development of the Oric range of computers, related peripherals and software.

The directors say the group's future is in the micro-electronics industry. They add that its financial resources are good and that there are ample bank facilities available.

It is hoped the results for the full accounting period to June 30 will show the benefits of the improving Oric position. In the following year the directors expect to see a "very substantial improvement in trading."

A new product, planned for the latter part of 1984, has been entirely pre-sold to a major overseas customer and total group sales for the 12 months to December 1984 are anticipated at £25m.

JOBS COLUMN

Why hard work and fitness won't be enough

BY MICHAEL DIXON

DID YOU know that two thirds of the British public now claims to be able to toucb its toes without bending its knees?

The Jobs Column didn't until that vital statistic was revealed at the Recruitment Society's conference in Bristol the other day by Tim Burns of Market and Opinion Research International. He was describing changes in people's attitudes to employment as indicated by MORI's numerous surveys over the past umpteen years.

Perhaps the most marked cbange is rather in their attitude to unemployment. It is now viewed by the public as far and away the most important problem facing the country, whereas just before the Conservatives gained power in 1979 it came a poor third behind trade unions and inflation.

That probably accounta for commensurate increases in people's awareness of the importance of having a job and their willingness to work bard at it. The same no doubt exptains why those who have a job are today more satisfied with the organisation which emptoys them. In 1977 only 43 per cent of workers described their organisation aa a good place to work. Last year the proportion was up to 53 per cent.

At the same time, bowever, MORI has detected another major change of a different kind — wbicb is where the boasts about toe-touching ability come in.

It would be wrong to think that the jobs shortage has worsened people's morbid tendency to invest most of their energy in paid work, using their free hours mainly to rest and recover from it. The surveys suggest that the British are becoming markedly more aware of and interested in opportunities for leisure activities, especiatly the sort supposed to promote personal fitness. We are turning away from passive leisure pursuits such as telly-watching, cinema-going and spectator sports, in favour of being up and doing.

So MORI's evidence is that, as well aa increasingly willing to work hard when we are working, we are becoming keeoer and keener to have space to play hard. Which must surely be a bealthy development, provided it is accompanied by a further change in attitude.

For generations we have targety viewed emptoyment as something people rightly expect to be supptied ready made. The still prevailing view is that there is a sort of natural evolution wbereby young people who do tolerably welt in academic examinations go on to join organisations which aupply them with specified things to do—more or less in line with their previous studies—to specified standards for so many hours and days a year, in return for a specified salary and set of perks.

An added belief is that the purpose of doing the specified things well is to get promoted to control the workers wbo stay in the ranks below. Few employees see themselves as responsible for contributing directly to the supply of goods or services to the outside world, by whicb the organisation at teast notionally earns the money to meet its paybill.

Sucb bureaucracies are not, of course, confined to the public sector. Although outnumbered by less ossified smaller concerns, they still account for the bulk of employment.

But evidence that they will provide fewer and fewer jobs in future was also given to the Recruitmeot Society's conference wben Dr Colin Leicester, of the Henley management school, outlined the findinga of his study of 35 businesses, big and tittle.

Of the tot, 28 wbich collectively employed 1,744,000 folk in 1981 expected to bave sbed rather more than 20 per cent of them by 1986. The other seven, largely in high-tecbnology products and services, expected their 1981 total workforce of 180,000 to increase by 20 per cent over the same period.

The extra jobs, however, will not be of the kind found in big centrally controlled organisations. The strategy of the seven is to parcel out each of the company's different operations to a self-reliant, tightly manned "profit centre." In every case the employees will need the skills and willingness to do several different kinds of work, with emphasis on innovative talent. The prime concern of managerial staff will be not control, but leadership.

In effect the growing companies plan to replace open-ended contracts of service with fixed-term contracts for services contributing to supplying customers' wants.

So the flextbility required by workers in future will go beyond being able to touch their toes. If they want to be well heeled to boot, they'll need to stop seeing employment in terms of joining organisations and start seeing it as making and doing things that people will buy.

Antiques

RECRUITER Mike Hann of the Odgers consultancy seeks a general manager to run and develop the Passport buying-card service for extremety well-beeled connoisseurs of antiques and other works of art.

Backed by Michael Davis Shipping, Passport entitles its holders not only to buy on credit at numerous international dealers, but to other facilities including travel and foreign-exchange services, insurance, and specialist packing and sbipping. It also produces a quarterly journal about antiques.

The base is Kew. But reporting to Michael Davis in New York, and being responsible for cultivating dealers and negotiating with financial institutions, the recruit will travel a lot.

Candidates must have proved appropriate marketing and managerial skills by developing a business in high-priced products.

No salary quoted, but I would guess about £30,000. Perks include car.

Inquiries to Mr Hann at 1 Old Bond Street, London W1X 3TD; telephone 01-499 881t, telex 8954989.

Controller

A FINANCIAL controller's job in the projects division of a London-based telecommunications group with a £400m turnover is being offered through headhunter John Courtis.

The newcomer will be responsible for all financial aspects of the 400-employee division, apart from central treasury and corporate taxation. Mr Courtis describes the work as "dragging a contracting division from being rather like all contract-based outfits where engineers and the like rule, to the standards of profit performance and professional management control we take for granted in otber sectors."

Candidates must be qualified accountants (like John Courtis), experienced in substantial financial control preferably covering contracting.

Salary about £27,500 plus car.

Inquiries to John Courtis and Partners, 104 Marylebone Lane, London W1M 5FU; tel 01-486 6849. Since tho employer is not named, applicants' requests for confidentiality will be honoured.

Planners

THE SAME promise is made by Antony Taylor of the Recruitment Partnership (27 Blackwellgate, Darlington DL1 5HX; tel 0325 55426, telex 587259 Recpar G) in the case of an unspecified number of senior corporate planners' jobs in the Far East which he offers on behalf of an international telecommunications group.

Candidates must be numerate, adept at accounting methods, and have succeeded in systems analysis and planning work in a big company wbich has included atudies of prices and tariffs.

Salaries £20,000-plus with expatriate perks including family housing.

Senior Financial Executive

City Based — **c£20,000 bonus + car**

Our client, one of the largest Japanese banks, with a substantial domestic and overseas network, is actively involved in the fields of international banking and capital market dealing. Their expanding UK operation has created the need for a senior financial executive to be based at their London Head Office.

This unique senior role will encompass a wide spectrum of financial and administrative responsibilities to include:

★ Consolidation of UK personnel matters
★ Company Secretarial duties
★ Management Accounting
★ Analysis and enhancement of accounting systems

Candidates, probably but not essentially, from a banking background, will be Chartered Accountants aged circa 30-35 with the personal presence and ability to create an impact in this international environment.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 129, at Michael Page Partnership, PO Box 143, 31 Southampton Row, London WC1B 5HY.

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PORTFOLIO MANAGEMENT

Capel-Cure Myers is one of the most respected and innovative stockbroking Partnerships in the City. We consider our Portfolio Management Division as being second to none in the quality of the service provided. We wish to recruit an INVESTMENT ANALYST to join the Private Client Research team in a position which offers considerable variety together with a high degree of responsibility.

This well-established team provides imaginative research for our account managers who are managing substantial portfolios in addition to the other services provided by this Division. Ideally you will be aged 23-27, a graduate, or have an equivalent professional qualification with at least 18 months' experience of investment analysis.

We can offer a competitive remuneration package and the opportunity to pursue a progressive career in an ambitious and profitable business.

Please apply by sending a c.v. or telephone:

James Neill, Personnel Manager
CAPEL-CURE MYERS
Bath House, Holborn Viaduct, London EC1A 2EU
Tel: 01-236 5080

Acquisitions manager

London, £30,000 neg

C&L

The Laird Group has widened its base considerably in recent years both geographically and in market and product sectors. With a strong balance sheet the company is well placed to further expand its range of interests both in the UK and overseas.

You will work closely with the Chief Executive in developing acquisition strategy, identifying business opportunities, maintaining links with the City, negotiating and financing acquisitions and JV deala and in integrating new businesses into the group.

There is some flexibility as to background but essential is a high level of financial numeracy, complete familiarity with the City and of acquisitions in a plc and on the personal side commitment, adaptability and a sense of urgency.

Open to men and women. Terms are for discussion.

Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. RF212.

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Merchant Bank/The City

Business Expansion Scheme

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Our client, a major merchant bank, has very considerable experience of investment in the smaller companies area. They now intend to move substantially into the Business Expansion Scheme sector of the market by the institution of a new fund. They seek someone to assist in the running of this part of their operation.

The role envisaged calls for a combination of skills which include analysis, fund management, monitoring, guidance, acquisition etc. It also calls for a rare combination of financial and industrial skills.

Ideally they seek a 28/40 year old Chartered Accountant or MBA who is already operating in this area. Alternatively, they would take someone from a fund management background who has a particular understanding of smaller companies, preferably high technology; or again alternatively a person who is currently with an industrial holding company which specialises in investment or part-investment in the smaller type of "high tech" situations.

Please write in the first instance, quoting ref: 551, to Colin Barry, Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

MARKETING MANAGER

U.K. Construction

S.W. London — c. £15,000 p.a.

★ Our Client is a well established medium size Building and Civil Engineering contractor operating throughout Southern England, but predominantly in the London and Bristol areas. The Company is part of a major international group with wide ranging construction interests and has highly ambitious and well supported expansion plans.

★ Candidates, ideally aged 35-50 and professionally qualified, must demonstrate a thorough understanding of industrial marketing and the construction industry in particular. The successful applicant will report to the Managing Director for the development and implementation of a broad marketing strategy, particularly aimed at the private sector. Of particular interest will be candidates with an in-depth knowledge and appreciation of this market.

★ In addition to an attractive, negotiable salary the successful applicant will receive a range of benefits including a Company car, pension and medical insurance scheme membership and generous leave.

★ Please telephone Jim Rusch for a preliminary discussion or write in strict confidence to the address below quoting reference PA 778/FT

ab
Ashbrittle Limited
Seabrook House, Wyllyotts Manor,
Darkes Lane, Potters Bar, Herts EN6 2HQ, England.
Tel: Potters Bar (STD 0707) 42406. Telex: 299328 Ashbar G.
Recruitment Consultants - UK & Overseas.

GROUP MANAGING DIRECTOR

North West — Not less than £50,000

Our client wishes to appoint a Group Managing Director to succeed the present Managing Director who continues as Chairman until his retirement. Responsibility is for a substantial British listed company with a £100 million turnover and a progressive profit record. The divisionalised structure covers processing, manufacturing and distribution in diverse sectors of industry.

The Group's policy is to decentralise responsibility to its subsidiary companies which operate through divisional management and financial control from the centre.

We wish to talk to interested candidates, aged about 45-50, with good qualifications and seasoned experience allied to demonstrable commercial and management success at or near the top of a public company.

Discussions will be in complete confidence, and a brief career history will produce a prompt response.

Please write to:

James Allen
PERSONNEL SELECTION.

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ
Telephone: 021-705 7399 or 021-704 2851

Financial Controller

S.W. Scotland — **c.£21,000**

Our client, a subsidiary of a well-established US-quoted group manufacturing computer components, is developing its UK operations and is currently equipping a factory in S.W. Scotland.

A financial controller is now sought whose broad-ranging duties will include the management of all accounting functions, as well as treasury and data processing.

The ideal candidate will be an accountant aged under 40 with experience in a medium to large scale manufacturing environment. Practical experience of DP systems is essential.

The overall remuneration package is negotiable. Interviews will be held in London and Glasgow.

Please write immediately to M J B Ping with full career details quoting reference F/484/P.

E&W
Ernst & Whinney Management Consultants,
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

TOP EXECUTIVE APPOINTMENTS

from £17,000 to £70,000

As the leaders in the field of executive job search, we specialise in identifying appoiotments in the unadvertised vacancy areas.

Selected high calibre executives are offered our unique success-related fee structure.

Contact us today for a free confidential assessment meeting. (24 hour answering service).

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Executive Management Services Limited
73 Grosvenor Street, London W1. 01-493 8504

Corporate Planner

A Major Force in Fresh Produce Marketing

The London Head Office of an international company requires a corporate analyst to make a decisive contribution to the planning role in an established, successful and expanding business.

The successful applicant will have a degree in economics, business administration or similar qualification and some experience of planning. High communication skills are essential and so is the ability to work with the minimum of supervision.

The salary will be up to £12,000 dependent on experience with excellent career prospects.

Apply in writing to Box No. A 8617
Financial Times, 10 Cannon Street, London EC4P 4BY

SURVEYOR / ANALYST REQUIRED

PROPERTY RESEARCH

To join an established research team of a major London surveying practice, to help direct the expansion of research activities. Must have knowledge of direct property investment helpful. Formal qualifications (eg: surveying, economics, statistics) helpful but not essential.

Applications with cv. in confidence, to
Box A.8618, Financial Times
10 Cannon Street, London EC4P 4BY

EQUITY DEALERS—AUSTRALIA

BROWN LANCASTER & CO., member of the Sydney Stock Exchange Ltd. seek to make the following appointments in their Sydney office:
DEALER—TO SERVICE AUSTRALIAN INSTITUTIONS
DEALER—TO SERVICE UK, EUROPEAN OR U.S. MARKETS

This is an opportunity to join a young stockbroking firm expanding in a deregulated industry. Experience, enthusiasm and knowledge of the Australian market will be of prime importaoce to successful candidates. Excellent working conditions and an attractive remuneration package rewarding performance will make settling into Sydney as enjoyable as the climate.

The senior partner will be in London from 12th to 18th June 1984 to interview applicants, who should apply in writing with curriculum vitae to:

Stephen Brown, c/o Tower Hotel, St. Katherines Way, London E1 9CD
or telex: "BROLAN" AA73514 SYDNEY, AUSTRALIA

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY

RATE £34.50 PER SINGLE COLUMN CENTIMETRE

ARBUTHNOT LATHAM BANK LIMITED

PERSONNEL OPPORTUNITY

Merchant Banking £10,000 – £12,000 plus banking benefits.

We seek a young graduate to help our small team to develop a progressive end effectiva Personnel Department for Arbuthnot Latham, the merchant bank of the Dow Scandia Holdings Group.

Reporting to the Personnel Manager, this person will be professional in outlook with about two years' personnel experience in a major organization, preferably with a salary administration background. He or she will have entrapreneurial style with the initiative and high quality presentation skilla to support management in their human relation role.

Excellent career prospects based on performance are offered with the job. The first assignment is to run the computerisad payroll and to expand the department's salary administration to encompass computerisation of all aspects of compensation including benefits analysis and to assist in menagement recommendations. The career prospects after this will include training and exposure to all other elements of modern parsonnel menagement.

The compensation packege comprises excellent benefits including low-cost mortgege subsidy, etc.

If you wish to work in en environment where career progression is bssed on performance please call for en application form or write with a curriculum vitae explaining why you are suitable for this job to:

Jakki Ridlington
Arbuthnot Latham Bank Limited
131 Finsbury Pavement, Moorgate
London EC2A 1AY
Tel. no: 01-628 9876

U.K. Corporate Lending

c£20,000 + Car

Our client, a City based Bank offering an expanding range of services to both Corporate and Private Clients is seeking to strengthen its UK Corporate lending team.

The successful candidate will be aged over 30, with a relevant degree or professional qualification, and will be self-motivated. Several years experience of UK Corporate Lending and Marketing is essential – particular experience in Syndicated and/or Secured Lending and Leasing would be an advantage.

Your main objective will be the development of sound new corporate business in the UK.

Salary will be negotiable c£20,000 and other benefits include a company car, mortgage subsidy, private medical cover and pension and life assurance.

Please write in strictest confidence enclosing e full c.v. including details of current remuneration to:
J. D. Vine, Vine Potterton Ltd.,
152 Fleet Street, London EC4A 2DH.

Please indicate separately if there are any banks in which you would not be interested.

VINE POTTERTON
RECRUITMENT ADVERTISING

Imperial College of Science & Technology

(University of London)

Chief Accountant

Applicatioos are iovited from qualified accountaots for the above post tcoable from 1st October 1984. Applicaots should have bad substantial accountiog and administrative experieoce aod be familiar with the maioteoaoce aod developmeot of computerised accouotiog systems; previous experieoce in a University or Public Sector Institutioo would be ao advaotage.

Salary not less than £17,275 (under review) plus £1,186 p.a. Loodoo Allowaoce.

Further particulars obtainable from the Finaocial Secretary, Imperial College of Scieoce and Techoology, Loodoo SW7 2AZ to whom applications should be submitted by 29 June 1984.

International Merchant Bank

Export Finance

Our client is one of the largest European merchant banks and has considerable *involvement in International Finance. The Bank has particularly strong links with the* major UK and European exporters.

Our client is in the process of strengthening its Export Finance team and seeks an executive with an in-depth knowledge of ECGD procedures and documentation and with experience of "buyer" and "supplier" credits. Obviously the ability to play a part in marketing operations is important, as is the understanding of Eurocredits.

We see this as a particularly exciting opportunity for the right person and long-term prospects are considerable. Candidates are currently likely to be with a major Accepting House or the International arm of a Clearing Bank. Several years' experience of banking is called for, of which at least two must have involved ECGD exposure. The right person, aged 26/35 will probably have a Degree and/or AIB or other professional qualification. Knowledge of French or another language would be a considerable advantage.

An attractive remuneration in line with experience will be negotiated.

Please write to Colin Barry, quoting ref. 550, at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

2 Investment Analysts

Japanese & UK Stockmarkets

London-based

A major international bank is developing a performance-based fund management operation in London.

We want to meet ambitious individuals eager to accept the emerging investment challenges of the City.

You have had at least two years training in fundamental analysis and are keen to develop your investment skills rapidly.

You will work in an exciting environment as part of a highly motivated, thoroughly professional team committed to superior performance.

You will enjoy an attractive starting salary and your career development will reflect directly your own efforts, and the continuing success of the group.

Candidates should apply in writing with a detailed cv, to PO Box A8620, Financial Times, 10 Cannon Street, London EC4P 4BY.

Young Graduate Bankers

Progress in Marketing

Offering a broad range of banking facilities your task will be to contact British companies to identify needs. Blending this information with your own experience and innovative skills you will frame lending proposals for bank and customer approval.

Your current employment will most likely be in the corporate investigative or marketing field, probably with a clearing or international bank. Aged under 30 and mature, you will have a minimum of 3 years' experience in a bank, good communicative skills and e solid technical grounding in credit analysis.

This foreign bank — one of the world's largest—has a strong London presence and uses its global web of contacts to foster new business. It plans substantial UK expansion and offers rewarding and secure career employment. Targets are set and excellent advancement prospects are performance related.

A good negotiable salary plus banking benefits make an attractive remuneration package. To proceed please write with CV to Barbara Lord of Cripps, Sears & Associates Ltd., (Personnel Management Consultants), 88-89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A new key appointment—opportunity to become Chief Marketing Researcher, Europe in 2-4 years or head up another corporate department

INDUSTRIAL MARKET RESEARCH EXECUTIVE ELECTRONICS

LONDON **£14,000 - £20,000**

ONE OF THE WORLD'S FASTEST EXPANDING SEMI-CONDUCTORS COMPANIES

Applications are invited from industrial market researchers, with an engineering and/or business degree, aged 25-30, who have achieved a minimum of two years' practical experienca, preferably in sami-conductor, electronics or another high-tech industry. Responsibilities will cover, starting from scratch, the assembly and storage of an entire database, involving gathering, analysing and tha regularising of market information. An important part will be tha intarpretation and prasentation of macro-economic trend indicators and *semi-conductor* statistics for tha usa of U.K. and overseas senior managers. Familiarity in tha usa and application of personal/micro computers is a prerequisite. The ability to arrive at sound commercial interpretations and to accept responsibility is essential. Initial remunaration by way of high basic salary and bonus, negotiable, £14,000-£20,000 + contributory pansion, free life assurance, free permanent health and medical assurance, and assistance with removal expensas if necessary. Applications in strict confidenca under reference IMRE4264/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

* Please only contact us if you are applying for the above position.

Appointments Wanted

YOUNG MARITIME LAWYER

with n comprehensive international education (including LL.M.) and deeply interested in either insurnnce or cargo claims, seeks an opportunity to practise nnd be nssociated with n top maritime law firm or as a clnim adjuster in an insurance company.

For any inquiries write to:
Pierre-Yves Lucas, 14 Square Clisson, 56100 - Lorient, France

MANAGER

FINANCIAL REPORTING

Manufacturers Hanover Finance is a subsidiary of one of the world's leading financial institutions handling the whole range of the U.K. instalment credit activity.

We are looking for a recently qualified Chartered Accountant to assume the role of Manager—Financial Reporting.

Reporting directly to the Financial Controller, the successful candidate will be responsible for the preparation of reports for local management in addition to those required by the U.K. and U.S. regulatory authorities.

The qualities we are looking for are:
— the ability to solve problems through clear logical thought and decisive action.
— the ability to work accurately under pressure of tight deedlines.
— an attentiveness to detail.

A knowledge of computer programming would be a distinct advantage as the job will require the creation of new reports from an existing database.

This position carries a competitive salary, a bonus scheme, a company car and other benefits usually associated with a bank subsidiary.

Please write in confidence, giving full details to:
Mrs. R. M. Pewtress,
Personnel Manager,
Charles Stuart House,
28, Church Street, Epsom, Surrey. KT17 4QP

P. S. Refson & Co. Limited

MANAGER
CREDIT AND MARKETING

P. S. Refson & Co. Limited is seeking a very experienced banker for this important appointment.

Applicants will have had a minimum of ten years' relevant experience. They will be professionally qualified, in their late thirties or early forties and demonstrate clear board potential. Emphasis will be placed on proven ability to make perceptive and sound judgments in a demanding environment.

Experience in the financing of international trade and readiness to travel at short notice are prerequisites.

Salary negotiable, c. £30,000 plus car and the usual benefits.

Please write fully to:

The Managing Director
P. S. Refson & Co. Limited
13 Austin Friars
London EC2N 2HE

Management Opportunity

Corporate Audit

Central Southern England £16,000+Co. car

Our client, e multi-national high technology corporation, is a world leader in telecommunication systems.

A large number of main frames and mini computers are used throughout the business and are fully accepted as an important tool of management. The internal audit unit, which is part of the corporate staff, has a wide ranging responsibility to the **Executive Management Committee** to report on the quality and suitability of business control systems.

Candidates who will probably, but not necessarily, be qualified accountants, should have at least 2 years' senior auditing experience in the profession or the internal unit of a major corporation. In addition, candidates should be able to demonstrate successful line responsibility for an accounting department because this position is seen as an assignment prior to taking up a management appointment in one of the subsidiary companies. Salary is negotieble, there is an attractive re-location scheme where appropriate, and a large company benefit package.

In the first instance, contact Bruce Crammond on 01-631 4184 or write to:

A & A Consultants (Holding) Limited, County House, 10 Little Portland Street, London W1N 5DF.

UNIVERSITY OF STIRLING

DEPARTMENT OF BUSINESS STUDIES

SENIOR LECTURER, LECTURER AND RESEARCH ASSISTANT IN SMALL BUSINESS

Applications are invited for the three appointments above located within the Scottish Enterprise Foundation, to commence as soon as possible.

The Senior Lectureship appointment will also include the post of Deputy Director of the Scottish Enterprise Foundation. The bulk of activities will involve a range of initiatives in education, training and development with small business with a significant research role. Knowledge and experience in this field would be a major advantage.

The appointments will be for three years in the first instance but it is possible that in future this may be extended. Salary on scales Senior Lecturer—£13,515-£15,925; Lecturer £7,190-£14,125; Research Assistant—£7,190-£11,615. All scales subject to current review. A curriculum vitae, together with the names of two referees, should be sent no later than 18 June 1984 to the University Secretary, University of Stirling, Stirling, FK9 4LA. Tel. (0786) 3171, extension 2318, from whom further particulars are available.

PARTNERSHIP ACCOUNTANT/MANAGER

An expanding Partoership of Chartered Surveyors and Estate Ageots in the Thames Valley are seeking a responsible aod experienced person to assist them in running and maintaining their busioess. No particular experience of a Chartered Surveyor's practice is necessary but the applicant must have had experieoce in Maoagement and Accountancy functions. Preferably oo older than 40 years, a qualification within the professional field of money management will be expected together with some experience of computerised accounting. The applicant will be directly responsible to the Senior Partner and will be required to monitor the entire financial fuoctioo of the practice and prepare costings and budgets. A salary will be oegotiated in line with qualifications and experience.

Applications in writing only, all of which will be treated in the strictest confidence to:

P. B. Dunn, FRICS, Simmons & Lawrence
32 Bell Street, Henley on Thames, Oxon RG9 2BH

Accountancy Appointments

Ambitious Qualified Accountant

International Banking c£14,000 + Bank Benefits

We have been retained by a Major U.K. International Bank to recruit an additional high calibre accountant for their Financial Control Department in the City. The role will be to initially manage a major new project in the financial reporting area, which will provide considerable challenge and require a high level of personal commitment.

You will be a graduate Chartered Accountant with post qualification experience gained in a major professional practice. Exposure to international banking would be useful, but more importantly you will possess in depth experience of computerised financial and management reporting systems. Aged mid to late 20's you will now be seeking a stimulating move to an organisation which offers excellent opportunities for career developments.

Applicants should send, in confidence, their CV's to Roger Parker FCA at the address below.

Roger Parker Organisation
4, London Wall Buildings, Blomfield Street, London EC2M 5NT
01-588 8161 Telex 8811725 CITLON G.

INTERNATIONAL SEARCH & RECRUITMENT CONSULTANTS

GROUP FINANCIAL ACCOUNTANT

A rapidly expanding group in the financial service sector seek an ambitious recently qualified accountant with DP experience. The position offers a wide variety of involvement in the business including capital investments, developing tax planning, consolidation and generally providing technical advice. As liaison with senior management is an important part of this role, applicants should have highly developed interpersonal skills. Excellent prospects.

CITY. Ref: CW Package c.£16,000

BANKING

A young CA with drive and initiative is required to take on the role of Project Accountant at this City office of a major International Bank. Duties are mainly one-off projects together with budgeting; forecasting; providing tax advice and monitoring expenditure. Candidates will probably be graduates with one or two years PQE in a large practice. An excellent introduction to banking, the position offers good opportunities for promotion into operating departments or within accounting, U.K. and overseas.

CITY. Ref: GR Package c.£13,500

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
LEE HOUSE, LONDON WALL, EC2 01-606 6771

Group Finance Director

W. London £28,000-£30,000

We seek a Finance Director for a well-known group, a large and powerful force in a fast-moving, high-volume service sector. Subsidiaries are based throughout the UK.

As a key member of the management team, the appointee will be expected to contribute to the direction of the business as well as assuming full control of all financial and accounting functions and of a major systems development project.

The person appointed will be aged 33-45, a qualified accountant with senior management experience in a well-managed company. A sound systems background and general commercial flair are essential. Prospects for further career development are excellent.

Please write in confidence, enclosing career details and quoting reference 5428/L to N.P. Halsey, Peat, Marwick, Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

International Oil Company
INTERNAL AUDITOR

Standard Oil Company (Indiana) which operates on a worldwide basis as Amoco is one of the six largest U.S. oil companies.

Our European Regional Audit Department is currently looking for an Auditor to join the team which is based in Central London. The position will require the ability to work with minimum supervision, together with good communication skills in order to make a positive contribution to discussions with senior management. Internal auditing assignments, which include operational auditing, will involve travel in the U.K., Europe, Africa and the Middle East and therefore a working knowledge of French, Spanish, Italian or German would be an advantage.

Applicants should be qualified accountants, ideally chartered and preferably aged between 25-30 years, who have a minimum of two year's post qualifications audit experience. A degree in accounting or business studies would be an added advantage.

An excellent salary commensurate with experience will be offered to the successful applicant, plus the normal fringe benefits associated with an international oil company.

Please write with full details to: Mrs. L.T. Nee, Amoco Europe and West Africa, Inc., Amoco House, 1 Stephen Street, Tottenham Court Road, London W1P 2AU.

AMOCO

INSOLVENCY PARTNER

Central London—up to £30,000

A young (up to 35) qualified accountant with insolvency experience is required for an established, expanding practice.

It is envisaged that the successful applicant would, after a brief trial period, be offered salaried partnership with a view to equity partnership at a later stage.

Applications to Box A8623, Financial Times 10 Cannon Street, London EC4P 4BY

Financial Director
Designate
West London

Our Client is a growing and profitable subsidiary of a major diversified British company, engaged in industrial process plant equipment and contracting, with an extensive service organisation. A replacement is now needed for the existing Financial Director due to him moving to North America early in 1985.

Reporting to the Managing Director, the appointee will be responsible for the financial direction of the company, which has a turnover of more than £20m, as well as making the relevant contribution to the management team.

Candidates must be Chartered Accountants, who already hold a senior broadly based financial position. A positive personality and keen business sense are essential requirements. The remuneration includes a basic salary of around £20,000, an incentive Bonus Scheme and a 2.8 litre car.

Please apply in writing quoting reference 8352 to Peter Barnett, Barnett Consulting Group Limited, Providence House, River Street, Windsor, Berkshire SL4 1QT. Telephone: Windsor 56723.

Barnett Consulting Group

Career opportunity for the ambitious young accountant...

FINANCIAL PLANNING

Central London up to £16,500 + car + benefits

Our client is a leading international manufacturer and distributor of sophisticated electronic office equipment and systems.

They are now seeking to recruit a young qualified accountant to join a small team involved in short and long term financial planning for the Group, with particular emphasis on asset control and funding requirements.

Candidates for this appointment will be qualified accountants aged in their late twenties who since qualifying have spent at least three years in a planning or forecasting role within a group head office. Emphasis will be placed on commercial awareness and the strong desire to gain excellent career development within a successful international organisation.

Applications in the strictest confidence should be submitted to Robert N. Collier or Neil Gillespie at our London address quoting reference number 4547.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

Entrepreneurial Accountant

West Cheshire to £17,000

Our client is a highly profitable manufacturing member of a dynamic European group which is an acknowledged leader in its field. Their current budget and long term plans show a continuation of the sustained growth which has been the hallmark of their recent past.

They seek to strengthen their finance team by the addition of a young (27-33) industrious ACA/ACMA whose personal qualities will include graduate-level intellect and a high degree of drive and ambition.

Reporting to the Finance Director, this will be an interesting and demanding position requiring action rather than delegation, covering the broad spectrum of financial investigations, DP systems development, implementation of accounting systems in existing and new ventures, legal/secretarial work, commercial involvement in the overall management of the business and deputising for the Finance Director as required. A small amount of overseas travel can be expected.

Comprehensive relocation facilities are available where appropriate and interested applicants should contact **Alan Dickinson on 061-228 0396** at Faulkner House, Faulkner Street, Manchester M1 4DY, quoting **reference 6981.**

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Analyst International Banking

London W1 to £15,000

Our client, a leading international bank with a worldwide reputation, is seeking to recruit a Financial Analyst.

Reporting at Comptroller level, you will play an integral part in a dynamic team. Your responsibilities will include variance analysis, financial accounting and the provision of management information. There will also be involvement in corporate and general taxation.

You will be a young qualified Chartered Accountant preferably from a Top 8 firm. You will have sound banking audit and computer experience, and a working knowledge of one other European language would be an asset. You will possess first class communication and interpersonal skills, and your presentation will be polished.

Promotional prospects are excellent for the right candidate. To discuss this opportunity please write in confidence or telephone Beverly Kemp quoting reference BK 8085.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

YOUNG ENERGETIC ACCOUNTANT

£10,000 - £12,000 + Car

HITACHI a well established company in the U.K., marketing Broadcast/Professional Video equipment, with its Head Office in North London, seeks a qualified (or part qualified) Accountant to assist the Company Secretary. Must be familiar with all aspects of accounting and able to organise the credit control.

An ability to communicate effectively with a wide variety of people is essential.

HITACHI

Please write with full details to Mrs. Kelly, Hitachi Denshi (U.K.) Ltd. Garrick Ind. Centre, Garrick Road, Hendon, London NW9 9AP.

TEESSIDE POLYTECHNIC

An 'Equal Opportunity Employer'

DEPARTMENT OF BUSINESS AND PROFESSIONAL STUDIES

LECTURER II/SENIOR LECTURER IN ACCOUNTANCY (2 Posts)

Applications are invited for two posts in accountancy. The successful candidate in each case must be a graduate with teaching experience and competence in the application of information technology to the teaching of accountancy. The possession of an accounting qualification is essential for appointment at Senior Lecturer level.

One of these posts will attract candidates with a high competence in management accounting. The other will be attractive to candidates with a specific expertise in financial management and/or in the behavioural sciences applied to accountancy and finance.

Salary: £7,215-£11,568 (efficiency bar) — £12,552 (work bar — £13,443 per annum (under review)

Appointments may be made at either Lecturer II or Senior Lecturer level but the maximum salary on appointment will be £12,552 per annum.

Successful applicant to take up appointment as soon as possible.

Closing date for applications: 15 June 1984.

Further particulars and application forms are available from the Personnel Section, Teesside Polytechnic, Borough Road, Middlesbrough, Cleveland TS1 3BA. Telephone: (0642) 218121 Extension 4114.

EUROPEAN TRAVEL

GRADUATE ACAs package value £15,000 - £17,000

Our clients, an International Group of Commodity Merchants, seek two self-reliant ACAs of the highest calibre, aged 22-30, strong written and verbal communicators with good professional backgrounds.

As part of a small team of management investigators, they will visit locations in HOLLAND, FRANCE, GERMANY, SWITZERLAND, BELGIUM, GREECE and the U.K. with future promotion possibilities based here or in EUROPE or SOUTH AMERICA.

Preference will be given to those with a basis in French which they are willing to improve.

Please telephone and send career details to:

GEORGE D. MAXWELL, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RN
Tel: 01-637 5277 (12 lines)

CORPORATE FINANCE
Merchant Bank
to £15,000 + mortgage

Opportunities now exist with this leading U.K. Merchant Bank in a competitive but rewarding environment. Candidates should be recently qualified ACAs with excellent academic achievements and progressive careers to date. SKR161

FINANCIAL CONTROLLER
Merchant Bank
c£20,000 + car

To take charge of a small professional team in this specialised British Bank. Board reporting with full control of administration, accounting, company secretarial matters, tax and personnel. Initiative and Integrity needed to take advantage of excellent future prospects. SKR162

SENIOR ACCOUNTANT
Operational Reviews
c£16,000 + car

A major U.K. leisure group wish to recruit business orientated Graduate Accountants with 2-3 years' post qualification experience in commerce or the Profession, to join their in-house consultancy team. This position will lead to an F.D. or equivalent role within 2 years. AJS163

CORPORATE FINANCE
West End
c£14,000 + bonus

This major public retail group are seeking to strengthen their Corporate Finance Department. Young, qualified accountants (23-28) will be fully involved in the identification of alternative markets risk evaluation and financial planning with regard to company takeovers, mergers and disposals. SMF164

For more detailed information please ring or write to:

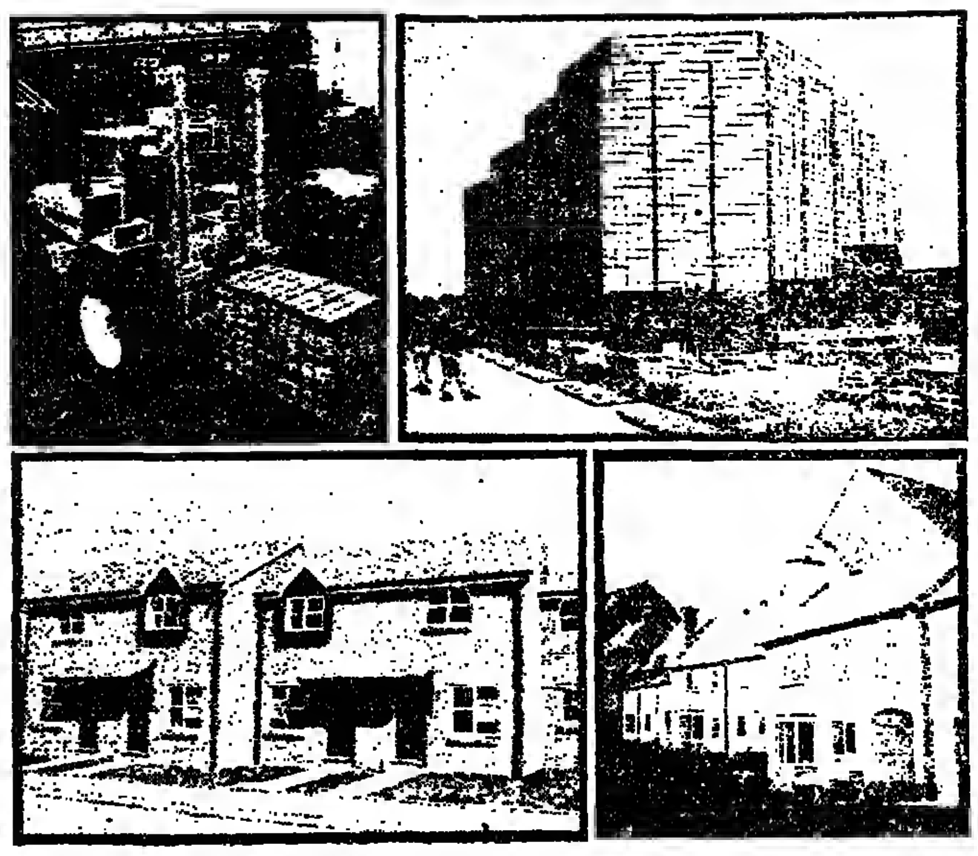
Firth Ross Martin
Financial & Professional Selection Consultants
Wardgate House
59a London Wall
London EC2A 5TP
Tel: 01-628 2441

هكذا من الأصل

FINANCIAL TIMES SURVEY
Thursday May 31 1984

UK Building Industry

Variations in performance show that only parts of the industry are experiencing recovery. The key to success now is in marketing to create demand



The private housebuilding sector is showing the clearest signs of recovery

Mixed views in different sectors

BY JOAN GRAY

A SHARP conflict of opinion is dividing the UK building industry as to whether there is or is not a recovery.

Views range from the totally optimistic to the totally pessimistic. Mr Terry Roydon, president of the House-Builders Federation, says: "We see strong signs that the market is up, and all the conditions are right."

But Mr Mike Millwood, president of the Building Employers' Confederation, firmly maintains there is no major recovery under way and little sign of one coming.

While there may be some temptation to agree with the chief executive of the Chartered Institute of Building, Mr Dennis Neale, that "builders are like farmers; they've never had a good year yet," the real reason for this divergence of opinion is that building is not just one homogeneous industry and that some sectors are faring very well while others are faring very badly.

As Mr Millwood says: "You must not confuse housebuilding with the whole industry. We see very little signs of recovery other than in *private* housebuilding and the refurbishment market. General construction, local authority housing, and private industrial and commercial work are all doing badly."

This discrepancy between performances in different sectors explains the housebuilders' optimism compared with the more general builders' gloom. It also explains why those materials companies and merchants which supply the housebuilders are reporting excellent results and high growth, while those whose output depends mainly on larger projects and public sector spending report much lower growth.

Even though some of the previously depressed sectors are now showing signs of an upturn particularly private industrial and commercial work and public-sector building such as law courts and prisons — this is, as the BEC emphasises, from a very low base.

The upturn still brings the industry nowhere near the level of activity it enjoyed in the 1970s.

Funding

Nonetheless, what still helps distinguish the successful companies from the unsuccessful is the ability to market their products and look for new ways of finding their own funding, rather than just turning to an unimpressed Government with hands held out.

The present Government turns a firmly deaf ear to the industry's pleas for more money, and sees no reason why it should deviate from its policy of cutting public spending to keep the building industry in the style to which it became accustomed in less stringent times.

So the message is: the way ahead lies in marketing to create demand; and the sector which has most enthusiastically listened to this message is housebuilding.

Mr Roydon emphasises that houses must now be promoted like video recorders and washing machines and that housebuilders must realise they are competing with other forms of domestic expenditure.

"Housing now competes with a second holiday," he said. "We accept that everybody has the right to own their own homes and to one holiday, and we are putting forward the argument that you get more out of having a better house than a second holiday.

"Housebuilding became a marketing business as builders realised they could no longer just build three-bedroomed semis for all but must develop new products—such as small starter homes and houses for the elderly—to meet changes in population."

Marketing has not only helped the rise of Britain's biggest housebuilders; it is also spreading to other sectors of the industry. Builders are beginning to realise they must create their own work by persuading potential clients — whether commercial, industrial or local authority —that they need new buildings rather than just keep on trying to get a bigger share of a crumbling public-sector cake.

One builder which keenly embraces this approach is Lovell.

"In the old days you could divide the construction business into nice water-tight compartments such as public housing and private housing, but now companies have to increase their efforts to create their own workloads," said Mr Norman Wakefield, chairman of Lovell.

"It's no good exhorting the Government to provide work. You've got to put your own money in, and the old idea of builders at the end of a long chain of events and unable to influence demand has gone. You must take a composite approach."

Lovell has, for example, become involved in joint ventures with private hospital companies to build 10 new hospitals so far.

The company has also become involved with Chesterfield Properties on developing an office site near London Bridge. "We took a 25 per cent stake as management contractors and from that other construction opportunities flowed," said Mr Wakefield. "You cannot just look at things as a building contractor. Builders must now think like developers as well."

Partnership

Partnership housing is another area in which Lovell has become involved as a way of providing cheap homes for people on local authority waiting lists when the more conventionally funded public housing programmes have been cut.

Partnership housing is a scheme whereby a private developer builds houses on local authority land for sale to people on the housing list at a discount below market price.

Lovell has now built 3,000 such partnership homes and is on its way to 4,000. They represent about a third of the company's planned housing output this year. "We do it because we get a better return on capital because we've not got money locked up in land, and also because it seems a perfect marriage between public sector assets (land) and private sector enterprises," said Mr Wakefield.

Mr Christopher Groome, of NEDO, points out that one factor holding back the demand for new building is the sheer difficulty potential clients see in actually getting a new building erected.

"In order to increase the market the building industry must find ways of helping the inexperienced customer, because a lot of people who would benefit from new building will not take the work on because they are not prepared to face the drain on their management resources it involves," said Mr Groome.

"That's where the contractors project leader or construction manager or whatever comes in, because you must have someone to run the project and if the client can't do it the building industry must," he added.

This is an approach with which Mr Malcolm Paris, chairman of Bovis, wholeheartedly agrees. "Management contracting is now more than 50 per cent of our turnover," he said. "We are increasingly seeing a changing pattern of contracts moving more to the American style, where big institutions hire a project manager and say 'go build me a building'."

Awareness of the need for energetic marketing to create demand is spreading beyond the builders themselves and out into the rest of the industry, to the materials companies and to the merchants.

The Precast Concrete Federation is looking for a symbol like the "Woolmark" to promote its product and is starting a campaign to spread the message that "concrete" is not synonymous with "jungle." A vigorous promotion by Interpave, the Concrete Floor Paving Association, helped the sales of concrete paving blocks to rise by 60 per cent last year.

The Building Merchants' Federation are using the loveable Sammy Detached to lure customers into their premises and even the Building Employers' Confederation has turned to Mrs Thatcher's advertising agent, Saatchi and Saatchi, for help.

"Comments that we are not good enough at marketing and at pressing our case are correct," said Mr Millwood. "Now we realise there is a need to market ourselves and get to the population and demonstrate that there is a need for more new building."

Saatchi and Saatchi has already given the National Contractors Group of the BEC a presentation on how the industry could best advertise itself.

The builders have also been excited by a U.S. television commercial showing "news shots of collapsing buildings" which American contractors are using to lobby for more money.

"It is our job to look after the interests of our members and we are not going to be frightened to have a go at the Government and make clear the effects of not spending on improving the quality of life by building more schools, hospitals, houses and factories," said Mr Millwood.

A big issue about which the BEC is now arguing bitterly with the Government is the imposition of 15 per cent VAT on improvements and alterations, and the effect it will have on the industry.

While some companies contest the BEC's view of its seriousness, all are desperately concerned about any possibility of a move to harmonise with the EEC by putting 15 per cent VAT on all new building.

"The 15 per cent VAT on improvements may hit the refurbishment market," said Mr Wakefield. "But the real problem is the possibility that it might be regarded as a first step in imposing VAT on all building. That would be the kiss of death for the industry."

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Marketing a force in record year

Housing

JOAN GRAY

ON ONE issue the industry is in total agreement: there is a boom in housebuilding.

Last year was a record year, with starts reaching the highest level for a decade: a total of 214,600 in the UK, of which 167,500 were in the private sector and 47,000 in the public sector.

But there is now much discussion as to whether this housebuilding boom will last.

The majority opinion is that the housing market will stay buoyant, but that the number of starts will fall as completions catch up. Last year the total number of completions was 189,200, 25,400 behind starts, almost the whole gap being in the private sector.

So the argument is that even though improving economic conditions, lower mortgage interest rates, plenty of mortgage money available, and budget measures such as reduced stemp duty, may stimulate the sales of new houses, tho larger number of houses under construction will mean fewer starts.

The statistics for starts and completions for 1984 so far broadly confirm this prediction. According to the Building Material Producers economic analysis, private sector starts are running 9 per cent behind the same period last yeer and are consistent with an annual level of approximately 155,000 starts, compared to 167,500 last year.

Private sector completions are running 14 per cent higher than e year ago, consistent with an annual level of completions of around 160,000, compared with 139,300 last year.

The latest state of trade survey from the House-Builder Federation, however, is more optimistic, and could suggest a rather higher level of starts. It showed that 58 per cent of housebuilders expected to increase their level of starts over the next 12 months, and 33 per cent expected to maintain the same level.

This optimistic report has led some forecasters to revise the predictions upwards, to 170,000 private sector starts this year.

A complicating factor is that the housebuilding boom is not distributed evenly throughout the country but is concentrated in the South East.

"But even so, it's horses for courses," said the president of the House-Builders Federation Mr Terry Roydon, who is head of Comben. "My own most profiteble area is the South Wales valleys because I've been there a long while end know the market. We build outside Pontypridd, where there is 15 per cent unemployment, but even so there's 85 per cent employed and they're looking for houses just like anyone else.

"Since we know the market we get what there is going, and the same story is repeated with builders all over the country."

The housebuilders' discovery of marketing, and the idea of catering for different population groups rather than just building three-bedroomed semis for all, was a major factor behind the housing recovery and the rise of Britain's biggest housebuilder, Barratt.

Research staff

Marketing is now taken very seriously indeed by the industry. It has set up a New Homes Marketing Board to promote tho advantages of owning a brand-new home, and the House-Builders Federation now employs a research staff to look for new market niches.

Starter homes—small houses and flats for the newly-married, newly-divorced and newly-left-home—have already been e highly successful way of increasing demand by providing for a changing population. But Mr Roydon is now suggesting that this market has reached its peak and that builders must look for new niches.

Smell leasehold houses and flats for the elderly, with a warden on call, are already a growing market, tipped to reach £480m and 13,000 homes e year by 1990. Barratt, Wimpey and Laing are all planning to make them 10 per cent of their output, Wates 24 per cent and Lovell 30 per cent. McCarthy and Stone, the Hampshire builder which first spotted the market, will keep them as 100 per cent of its production.

Mr Roydon is suggesting builders should now also look at the "retirement sub-markets," for the old and the newly-retired. He also thinks they should look at the possibility of catering for more affluent single people and "empty-nesters"—couples whose children have grown up and left home.

HOUSEBUILDING STARTS AND COMPLETIONS (000s)

STARTS	Public Sector		Private Sector		Total	
	England	Great Britain	England	Great Britain	England	Great Britain
1978	93.1	107.4	133.6	157.3	226.7	264.7
1979	69.4	81.2	121.1	144.0	190.6	225.2
1980	46.8	56.4	83.4	98.1	130.2	154.4
1981	31.5	37.0	99.6	115.1	131.1	152.2
1982	43.2	52.3	122.5	140.1	165.7	192.4
1983	41.2	47.0	145.9	167.5	187.1	214.6
COMPLETIONS	Public Sector		Private Sector		Total	
	England	Great Britain	England	Great Britain	England	Great Britain
1978	113.9	130.7	127.5	149.0	241.4	279.8
1979	91.1	104.0	118.4	140.4	209.5	244.4
1980	93.9	106.9	109.0	126.0	202.9	233.8
1981	71.5	84.5	96.9	112.3	168.4	197.3
1982	41.9	49.4	104.8	121.1	146.7	170.6
1983	43.2	49.9	121.5	139.3	164.7	189.2

Source: BMP Statistical Bulletin

Despite some criticisms that starter homes—particularly those sold fitted with carpets, curtains and white goods—may not retain their resale value, and the possibility of a coming World in Action television programme devoted to the problem, Barratt has no plans to move away from the product that made its fortune.

"We built 70 per cent starter homes out of a total output of 16,500 homes last year," said group sales and marketing director Mr Mike Norton. "We've no policy to change the mix because the market is still strong."

As a sign of confidence in the resale value of its starter homes, Barratt has introduced an Investment Security Plan. This gives anyone buying one of its starter homes costing less than £30,000 in 1984 the right to sell it back to the company for up to two years afterwards, at the original price paid.

Barratt is also experimenting with new markets, as with its latest design for shared living. This is the Dorchester Suite "Harmony Flat" designed with a communal kitchen and living area but a self-contained bedroom, bathroom and study area for privacy.

Wimpey Homes' sales director, Mr David Eaton, is also convinced the starter-home market—which accounts for 74 per cent of its total output, expected to reach some 10,500 homes this year—is neither saturated nor petering out.

"Every year up to 1991 160,000 new households will be formed, so starter homes are here to stay," he said.

Other builders take a different view. Croudace, for example, believes "the next growth area will be more middle-to up-market three or four bedroomed houses or luxury flats. This is because confidence is high and people with jobs have good salaries and don't see the same risk of losing them," said marketing director Mr Darrell Bean.

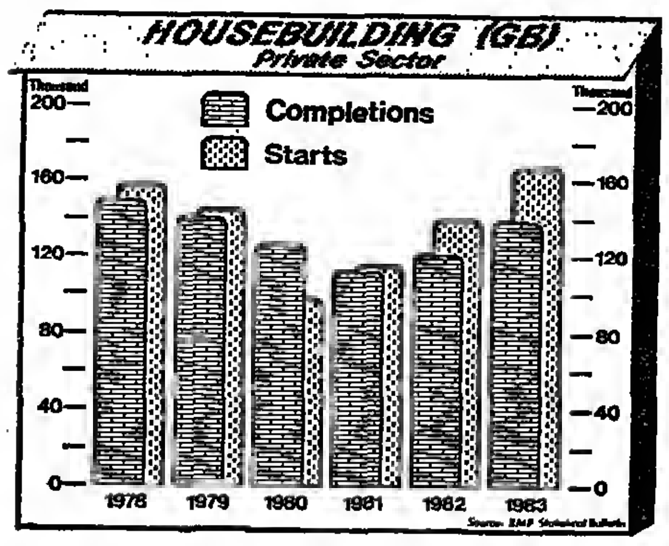
Some housebuilders do not believe in market niches at all. "Our marketing gimmick is 'no gimmicks'," said Mr Norman Wakefield, chairman of the Lovell group.

"We don't believe in crying 'Eureka, we've found the latest market' because although you have to find the new niches to keep up the volume if you're in the number-crunching game we think they're short-lived and that you've got to keep close to all needs to maintain a constant business."

The possibility of a land shortage, particularly in the South East, where there is the greatest demand for housing and a strong determination to preserve the remaining countryside (much of it protected Green Belt), is one of the House-Builders major preoccupations.

"I see us running into the problem of a land shortage in 1985 or 1986," said Mr Roydon. "So builders may make e deliberate policy decision to reduce output and increase the price of houses as a result. There is no absolutely right price for a house but a relationship between price and volume."

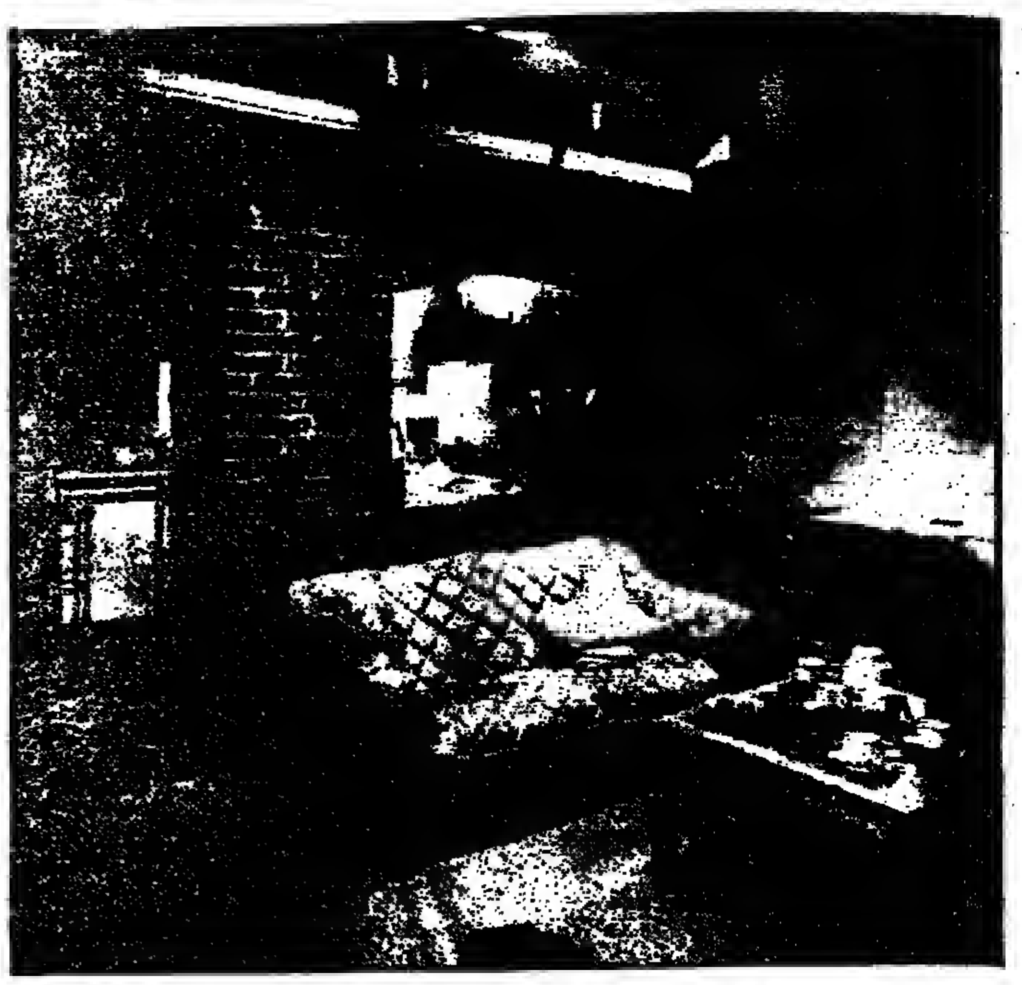
Unless the problem of land supply is eased, therefore, the builders may decide to put up fewer houses and charge more for them, so threatening first-time buyers' ability to buy and the Government's policy of extending home ownership.



The Chartered Institute of Building and Royal Institute of British Architects both celebrate their 150th anniversaries this year, which has been designated the Year of Building.

At the centre of the commemorative programme is a nationawide promotional programme, Building Tomorrow's Heritage, which sets out to demonstrate the many advances in building management and construction. Events include exhibitions and displays and the publicising of many sites across the country.

The building institute, which is organising the programme, is at Englemere, Kings Ride, Ascot, Berks.



Interior of a one-bedroom house. Starter and other specialised homes have been a highly successful way of increasing demand by providing for a changing population

Reluctant progress in spite of the many advantages

Computer applications

ALASTAIR GUILD

BUILDERS and contractors have been much slower to computerise than erchitects, engineers and surveyors. There are, for example, some 2,500 engineers employed in UK consultancies, 86 per cent of which use computers. By contrest, 83,000 people work for contractors, of which only 3 per cent operate computers.

The UK building industry is at heart conservative and reluctant to change. The small to medium-sized contractor has often started as a tradesman, going on to build up his own business. He may not be aware that computers could help his business, or he may think them too expensive. Even the larger firms had small beginnings.

In an effort to overcome such reluctance, the Construction Industry Computing Association (CICA) has published a manual, *More Computer Programs for Construction Management*. This suggests that a company with an annual turnover of less than £500,000 can find a system costing £5,000 attractive and profitable. The price of a complete microcomputer system for use by a builder can be as little as £2,000.

Payroll

When he has bought a system, however, the small builder has tended to limit computers to the accounts department taking in sales, plant hire, subcontractors' services and payroll. The construction industry is labour-intensive, has complex payroll requirements and does not pay all employees on the same basis. The accounts department is therefore the logical place to start with computerisation.

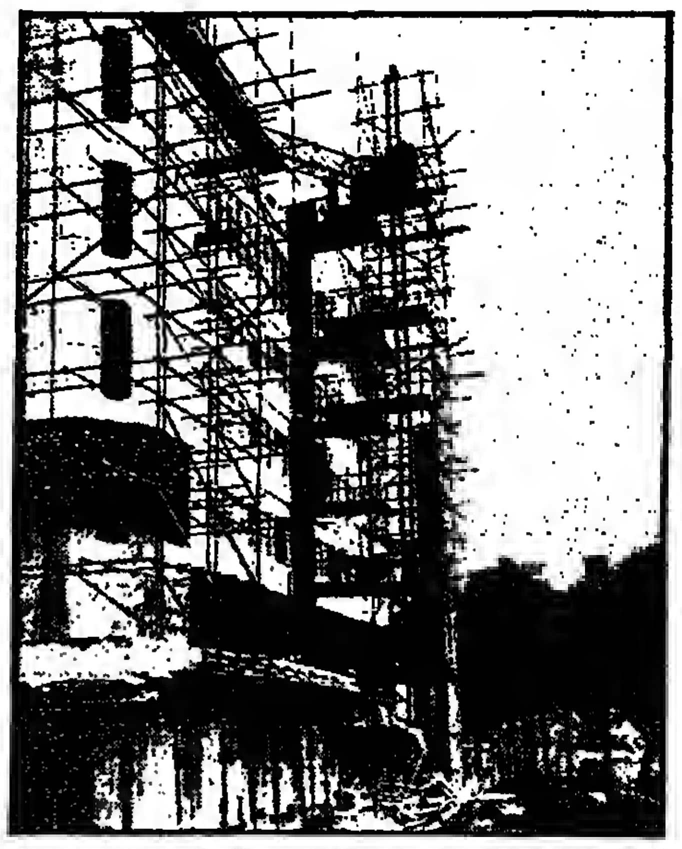
Grant Construction, a building firm with en annual turnover of £400,000 decided to view the computer from a different aspect. Trevor Grant, the company's owner, contends that to computerise accounts first, with little knowledge of installing e computer, could prove costly and potentially disastrous.

Instead, Mr Grant decided to start by using his system to draw up tradesman's work schedules. These would be produced for eech job or work space and be based on information supplied by the erchitect, using the same coding structure. He intends to develop the system for bonus purposes, then link it with estimating, and finally integrate the system with his general accounts.

The Building Advisory Service (BAS) offers advice to its members thinking of investing in computers. Brian Harrison, BAS's computer manager sees the electronic spread sheet as providing the best value for money for builders requiring a versatile system.

Spread sheet packages csn help them prepare tenders for submission, for example, by breaking down estimates into specific areas such as building elements, trade sections, or own or subcontractors' work. They can be used for financial planning, reconciliations, cost value comparisons and at many other times during the life of a project.

The electronic spread sheet can also assist large volume house builders by advising how much they should pay for land given a certain combination of house types. It will help in arriving at the optimum housing mix once the land is bought.



A tower hoist in use. Computers can produce reports on the location of plant at various sites

"Once the builder cottons on he may be using the spread sheet in a multitude of different ways," says Brian Harrison. "Any system has to be able to produce information in a form which is easily understood by men on site. An electronic spread sheet does this with simple bar charts."

So fer some systems have been within reach only of the large contractor, who is perhaps working on a variety of projects, at different stages of completion, with considerable resources of manpower and machinery involved.

He will require a number of more specialised packages. These may include plant recording and control—the computer can produce reports on plant location and movement or the location of idle plant—cost control or job costing. The development costs of such packages are immense and the difficulties in operating them properly, considerable.

Commitment

Computer-aided estimating elso involves a heavy commitment. It enables the contrector to adjust unit prices to reflect the latest changes or to re-estimate a job quickly using revised input. A National Federation of Building Trede Employers (NFBTE) survey two years ago showed that among its members there was greatest interest in the possibilities of using computers for estimating. Yet compared with the number of accounting systems sold, sales of estimating packages has been small.

Geoffrey Stollard set up his own software company, CIC (London) three years ago having worked previously for a large contractor. He believes that computer aided estimating has succeeded only in specialised building sectors. This is partly due to the size of data base needed to handle even a small variation in building type.

The standard method of measurement, traditionally used by the building industry as a basis for estimating, also allows such flexibility that there is no standard for compiling a computerised pricing structure. "The design and build contractor will use a simplified form of SMM. This allows him to devise his own estimating package," says Mr Stollard.

"The choice of an estimating package," comments the CICA, "must not ignore the compatibility with any other systems used, whether they be manual or computerised."

For the large and not-so-large company, computers open up the possibility of integrating all aspects of construction management.

The computer stores the bill of quantities information, which is accessed by the estimator for pricing. The planner can then add "activity dates" to Bill items to produce site programs; and the surveyor can quickly produce his valuation by adding information from on-site measurement along with any price formula edjustments. Comparisons can then be made between "estimate" and "actual" cost by linking all this data to the accounting system.

William Thorpe, chairman of William Thorpe and Son and of Computer Management Services believes the construction comnany should be seen as a total management system.

James Miller and Partners, a construction company with an annual turnover approaching £100m, has embarked on an ambitious programme to update its computer capability. The centre of its general construction and civil engineering operations is in Edinburgh, with major offices in Surrey, Yorkshire and Glasgow.

Linked

Its mining interests are directed from Normanton, Yorkshire. The main thrust of the investment is to link powerful Minis in Edinburgh and Normanton with its other offices via leased land lines. Large construction sites will also be linked into the scheme using the normal telephone network.

John Graham, formerly a consultant with Coopers and Lybrand, and now with Millers and advising on its hardware and software investment, points out that the scheme chosen is in line with the centralised nature of the company.

"Diverse construction management activities will be integrated with a centralised accounting system," he says.

"For example, the surveyor will feed site measurements into the valuation system stored on the Edinburgh and Normanton minis. The system then compares the calculated valuations with the actual cost of work done, including the materials that have been delivered, labour costs and subcontracting costs. So the new system will assist our surveyors with on site valuations, and our management with the comparison of these values with actual costs."

The trend among other large contractors is towards greater decentralisation. Large site offices are given their own computer capability, "floated off" from head office and made into separate companies. Micros are already capable of such integrated activities as on-site accounting, cost control and project control. Another suitable area for on-site computerisation is the ordering and issuing of materials, which often involves masses of documentation.

But, according to CICA, integrated planning systems are only occasionally found on site. "It is still sadly rare for a contractor's surveyor to have the use of a computer on site," it says.

A comprehensive survey of builders is now needed to ascertain the specific requirements of the "industry." Then software houses in general will be better able to devise packages which meet those requirements.

Investment in greater efficiency

Materials

JOAN GRAY

BUILDING MATERIALS companies are doing very nicely. A quick look at the recent results shows a series of good—and even outstanding profit performances.

Steetleys profits surged from £9.35m in 1982 to £23.22m in 1983; Marley reaped the benefit of the housebuilding boom with UK profits increased by 72 per cent to a record £27.2m; RMC reported UK profits up 40 per cent to £47m; Blockleys reported record profits and a dividend up 55 per cent.

Industry's analysts are distinctly optimistic about the sector—and so are the companies themselves.

The National Council of Building Material Producers' (BMP) latest survey of builders merchants showed that 83 per cent expected their sales volumes to increase in the next six and 12 months.

Ms Judith Fox, the BMP's economist, is confident that there is a recovery in the industry—for the companies which survive.

"A tremendous number of companies went to the wall in the recession," she said. "Many small companies disappeared becaus they were under-capitalised, and materials production is e capital-intensive industry where you cannot survive unless you are efficient and plough investment in."

A BMP survey in 1983 showed that companies had invested large sums in new plant in the previous two years, and intended to continue doing so. They intended to increase their average capital expenditure by about 12 per cent over the next two years.

But, explained Ms Fox, "the companies have been investing for increased efficiency rather than increased capacity. With reduced demand because of the recession it was important to be as efficient as possible, so that costs remained low even if volumes were low."

Take eement, for which Blue Circle, Britain's largest cement-maker and the largest international cement group in the world, is a good case in point.

Three years ago, the company was badly affected by a world surplus of cement-making capacity which emerged as new plants came into production in Western Europe and Japan, and demand dropped with the decline in construction markets. In 1981, the cement-making industry's installed capacity was 1,100m tonnes worldwide, a surplus capacity of 200m tonnes.

This meant that prices were depressed. "And the question is, what have we done about it and how have we coped?", says Mr John Milne, chairman and group managing director of Blue Circle.

To keep its position as e competitive low-cost producer and maintain its margin while prices were frozen and there was increasing pressure from imports, the company embarked on e £300m programme to modernise its operations and increase productivity.

The workforce is being cut from 9,000 to a planned 4,000 or 5,000 in 1985, and high-cost plants closed. "The short-term costs are high, but we must bite the bullet if we are to survive as the lowest-cost producer in the UK and compete with imports," Mr Milne says.

Blue Circle now forecasts an upturn in world demand for cement by the end of the decade, when it reckons there will be a shortfall of 150m tonnes—half of that in China, where the company is already trying to get a foothold in the market.

Mr Milne is also looking for opportunities to expand in the U.S., and for ways of diversifying into activities related to the boom sectors of housebuilding and maintenance and have improvements, all of which have a different demand cycle to cement.

So far, the cement-makers have not benefited much from the upturn in the housing market. This is because the quantity of cement used in housing is small compared to its main market, construction, which remains depressed.

So although "the housing boom is welcome, it only affects about 15 to 20 per cent of our market," says Dr Gordon Marshall, Blue Circle's deputy group managing director, who has main responsibility for the UK market. So even last year's record improvement in private housing starts was still only small beer for the company.

Blue Circle estimates that building an average house requires 20 tonnes of cement, including that used in roads, sewers, foundations, and concrete blocks in inner walls.

Bricks are one of the more merrily booming sectors of the building industry. Total sales were up 11 per cent last year to 4,180m bricks, from 3,762m in 1982. Higher-quality facing bricks showed an even stronger improvement, with a 71 per cent increase from 2,261m in 1982 to 2,636m in 1983.

Brick makers are showing confidence in the future. Steetley, for example, is investing more than £11m in a new brickmaking plant, and Redland, Armitage, London Brick and Blockleys are all edding extra capacity.

"It's all mainly due to the improvement in the housing sector being reflected in brick deliveries," says Mr Melvyn Hayward, secretary of the Brick Development Association.

The BDA forecasts a "slight" drop in total brick production this year, to 4,00m bricks and another overall drop to 3,900m bricks in 1985, Mr Hayward says both falls are expected because of the expected drop in housing starts.

"But we are still optimistic because the proportion of facing brick remains steady. It is the less attractive common bricks that have been dropping by 1 per cent e year while facing brick sales have increased."

This move to increased use of the more expensive and more attractive facing bricks is also linked to a greater use of brick in paving roads, in shopping centres, in offices, and in public buildings such as courts and town halls—as concrete and glass buildings go out of architectural fashion and a taste for warmer and more traditional architecture comes in.

This is a trend which the BDA is assiduously fostering, with competitions for the best brick buildings and a publicity campaign preaching the beauties of brick to planners, architects and local authorities.

The trend in timber which has benefiled the brick industry is the move eway from timber-frame housing. According to figures from the National House - Building Council timber-frame construction now accounts for only 16 per cent of the UK housing market, after reaching a peak of 25 per cent of new house construction in the UK at the end of 1982.

This fall can be attributed largely to the activities of the Campaign for Traditional Housing and the effects of a critical television programme.

The Campaign for Traditional Housing is not quite the same thing as the Campaign for Real Ale, since it was not the result of popular demand but of a concerted effort by the Aggregate Concrete Block Association, Autoclaved Aerated Concrete Products Association and Cement and Concrete Associations, all of which objected to the way timber frame housing was taking market share away from the more traditional brick and concrete method of house construction.

Drop

But despite the drop in timber frame house building, "timber merchanting has still been a good business to be in this year," said Ms Fox—an opinion with which Mr Anthony Woodburn-Bamburger, director general of the Timber Trade Federation, agrees.

Consumption of all types of timber increased last year and demand is good, said Mr Woodburn-Bamburger. "The general feeling is that although the improvement is now levelling off, there is no indication that in the short term there is likely to be any material decline."

Structural steel is another section of the materials industry where the outlook is encouraging. This is partly a result of the British Steel Corporation's marketing efforts, both directly and through Constrado, the Constructional Steel Research and Development Organisation BSC set up to develop the market for all forms of steel in construction.

It is also a result of steel prices becoming more competitive with rival methods of construction, particularly with pouring concrete on the site. As a result, BSC has managed to increase its market share, particularly for frames for multi-storey buildings.

BSC's marketing manager for structural steels, Mr Bob Latter, predicts a rise of between 11 and 12 per cent in the market for load bearing structural steel, from the 650,000 tonnes sold in 1983 to 730,000 tonnes in 1984, followed by a 5 per cent rise to 766,000 tonnes in 1985.

This optimistic forecast does, however, follow a drop in sales of structural steel from 695,000 tonnes in 1982 to the 650,000 tonnes reported in 1983. This fall resulted from a decline in industrial building, which is the biggest market for steel in construction. The volume of steel used in industrial building fell from 600,000 tonnes in 1979 to 365,000 tonnes in 1983, but BSC is now forecasting a rise to 430,000 or 440,000 tonnes this year and a further modest growth in 1985.

The amount of steel used for the frames of buildings of more than six storeys has increased significantly over the last three years, taking market share away from the principal rival method of using concrete poured on site.

One reason for this, Mr Latter explains, is that BSC's cost-cutting programme has made steel more competitive. Between 1976 and the middle of 1982, ready-mixed concrete increased in price by 140 per cent, and precast concrete by 135 per cent, while the price of steel increased by 60 per cent.

At the plants which make structural steel, the manhours needed have dropped, from 17 per tonne to six per tonne at Teesside and from 15 manhours per tonne to 5.5 at Scunthorpe.

Another reason for the shift to using steel for the frames of multi-storey buildings is the greater speed of construction they make possible. A study by Constrado of the economics of multi-storey buildings showed that, as a result of the time saved in construction by using a steel frame instead of poured concrete, a client could save between £112 and £152 per square metre on a 10-storey building in London.

The savings came not so much in construction costs—because a steel frame is still more expensive—but in the reduction in interest charges because of the shorter time taken to finish the building, and in increased rental earnings because of its earlier availability for letting.

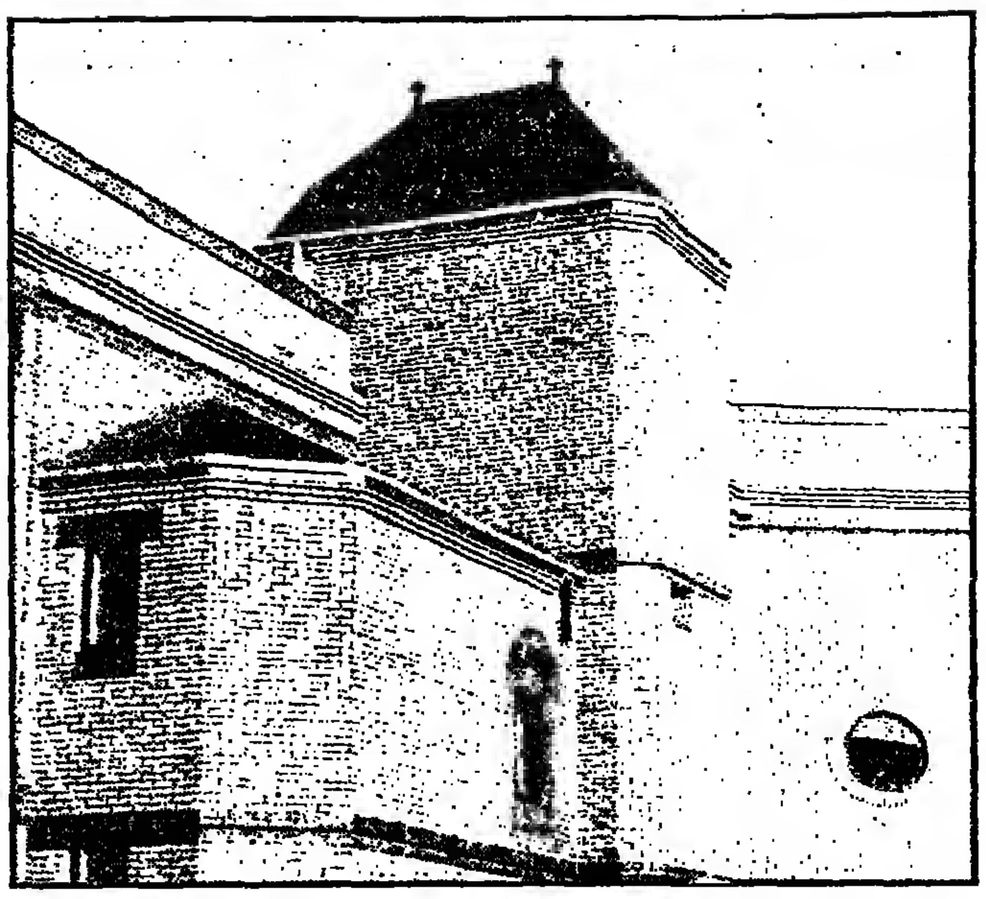
"The extra speed of construction with steel can be sufficient to wipe out the cost of the frame," Mr Latter said.

A similar economic argument underlies the growth in the use of precast concrete frames for multi-storey buildings, although this is still only a very small sector of the market.

TIMBER FRAME'S MARKET SHARE
(starts as a percentage of total starts by country*)

	England	Wales	Scotland	Great Britain	Northern Ireland
1976-1978	3%		—	—	—
1979	5%		—	—	—
1980	9%		—	—	—
1981 Jan-June	12%		—	—	—
1981 July-Dec	17%		44%	19%	24%
1982	21%	20%	49%	23%	30%
1983	20%	22%	47%	22%	36%

* Estimates up to June 1981.
Source: NHBC.



Facing brickwork of The Ridings Shopping Centre at Wakefield, Yorks. Deliveries of facing brick remain steady, reflecting its continued popularity for building exteriors

BUILDING MATERIAL PRODUCTION

PLASTER AND PLASTERBOARD

	Plaster (thousand tonnes) Production	Plaster Deliveries	Plasterboard (thousand sq m) Production	Plasterboard Home Deliveries
1979	949	927	113,961	111,515
1980	960	933	111,132*	109,095*
1981	775	790	101,987	102,780
1982	764	794	107,867	108,210
1983	855	879	120,819	123,332

CEMENT (UK)
(Thousand metric tons)

	Production	Home Deliveries
1979	16,140	14,938
1980	14,806	14,034
1981	12,729	12,147
1982	12,962	12,685
1983	13,396	13,004
1983		
1st quarter	3,184	3,029
2nd quarter	3,546	3,476
3rd quarter	3,538	3,510
4th quarter	3,129	3,079

Source: BMP Statistical Bulletin

SAND AND GRAVEL PRODUCTION SALES
(Thousand metric tons)

	Building Sand	Concreting Sand	Gravel and Hoggin	Total
1979*	19,120	28,261	52,460	99,841
1980	17,048	26,883	46,313	90,244
1981	14,963	23,736	43,386	82,085
1982	16,592	23,809	47,092	87,492
1983	18,007	25,963	50,688	94,657

* Estimates

BRICKS
(Millions)

	Production	Deliveries	Stock at end of period
1979	4,886	4,909	578
1980	4,562	4,046	1,075
1981	3,725	3,566	1,219
1982	3,517	3,761	964
1983 (p)	3,896	4,179	585
1983			
1st	936 (952)	966 (1,047)	933
2nd	962 (932)	1,128 (1,021)	768
3rd	947 (942)	1,136 (1,046)	579
4th (p)	961 (987)	949 (1,062)	585

Note: Figures in brackets are seasonally adjusted and allow for variations in the number of working days.

Building societies seek greater freedom

Funding

TERRY GARRETT

THE BASICS of funding the country's building programme could hardly be described as a hot-bed of revolutionary change. Builders and developers either fund from self-generated cash flow, borrow directly or bring in another party, such as an institution as an investor.

All fairly straightforward stuff in essence even if there are endless twists and turns within individual deals to muddy the waters. In the private housebuilding sector the ultimate provider of cash in most cases is the building society movement lending individual *mortgages*.

So far that sector, with its obvious considerable resources, has been unable to get into the front line of *property* development. But change is not that far away.

The societies are still shackled by legislation which prevents them playing a leading role as providers of cash for property development in the first instance. Their part in the picture has always been further in the background when the ultimate buyer is looking to fund a purchase.

However, for a couple of years now the societies have been lobbying for change. A Government Green Paper is anticipated soon and while ultimate legislative change is not going to happen overnight, societies are already moving on to a path that could radically alter their role in the property market.

Mr John Bayliss, a general manager of Abbey National — a society that has won itself a reputation for being in the forefront of innovation — describes the *movement's hopes simply*: "All we want is the power to hold land." From that standpoint building societies could then *develop housing for rental* use, provide low-cost housing for sale and perhaps break into mixed-used schemes, combining residential *alongside* commercial developments.

Hand in hand with local authorities, housing associations and builders and developers, the societies believe that given the freedom they could make a major contribution towards improving the quality of the country's housing stock. Of course such a move would considerably extend the risk element within the societies' business but most are convinced that the essential expertise could be grafted on to their existing organisations without any problem.

In spite of the constraints of legislation a handful of societies, led by Abbey, with Nationwide following closely behind, have branched out in an attempt to bridge the gap between their traditional roles and the one they would like to fulfill. Those two societies in particular have attempted to beat new paths by providing finance for run-down inner city areas, lending against properties *that* previously would not have been available as backing for cash advances.

Nationwide *can probably* claim a "first" in an involvement in a housing action scheme in Brent during 1978 but it was Abbey, *two years later, which* evoked a quantum change when it launched the Abbey Housing Association. Its aim: to build houses — *something* that societies had not done for a century or more.

The Abbey Housing Associa*tion was also the first organisa*tion to be allowed to operate under the assured tenancy provisions — brought in with the *1980 Housing Act — allowing* institutions to build houses for letting at economic rents.

But of course the Abbey *National Building Society* cannot by law hold land, so in spite of the similarity of names, in the legal sense the Abbey *Housing Association is divorced* from the building society. The association builds houses and the society lends money but it would be naive to believe that the links are not there albeit on an informal basis. So far Abbey Housing has built about 1,000 houses, according to Mr Bayliss, and it plans to put up another 1,000 by next year.

Nationwide established its own Nationwide Housing Trust towards the end of 1982, operating in much the same arms-length basis as does the Abbey arrangement. About 325 dwellings have been built and now that the trust has received approval under the assured tenancy scheme it is providing rental as well as straight sale properties.

Nationwide has also tried schemes with housing associations to provide funds on special terms to fund the development of rented accommodation. The assumption is that any interest due that is not covered by the initial rentals can be recouped when rents rise in later years.

Although one aim of the societies, according to the Building Societies Association is to become involved in mixed commercial / residential develop*ments, it is hard* to see the movement usurping the major investing institutions' role as providers of funds for major commercial projects.

The investing institutions—life companies, pension funds and so on—are important providers of investment funds for commercial development. It has been estimated by the stockbrokers Phillips & Drew that about 19 per cent of public sector pension fund money is invested in property. For local authorities' pension funds the overall figure is about 7 per cent while nearer 12 per cent for private sector pension funds. And those figures come after a period of some disillusionment with property investment. Only a couple of years earlier the brokers estimate that private sector funds had as much as 17.5 per cent of their assets tied up in property.

Institutions, by and large, went cold on property investment a couple of years ago. In the late 1970s property investment was still regarded as an ideal inflation hedge for cash. But a much lower inflation rate coupled with a significant outperforming of property by equities has led institutional investors away from property.

Also, the arrival of Index Linked Gilts provided a counter against erosion by inflation in a far more positive way than property investment, even though Index Gilts were hardly strong performers for the funds last year.

There are tentative signs that the major institutions are coming back into the property market, according to the property agents Richard Ellis. It is undoubtedly patchy at present yet, taking a long-term view, property investment probably offers a return for institutional investors broadly similar to what they can expect from equity investment and most institutions will retain a significant core holding despite short-term fluctuations.

Improvements to some London Underground stations such as Bond Street (above) using wall mosaics have transformed drab platforms. Right: Haygarth Court, Bath, a former nursing home that has been converted into 25 flats

Meeting demand for modern premises

Refurbishing

JOAN GRAY

"IF YOU look round London there is more scaffolding up round buildings being regenerated than I've ever seen before," says Mr Douglas Goddard, deputy chief executive of the Chartered Institute of Building.

It's not only offices. Buildings as diverse as Victorian railway *stations and agricultural halls*, local authority houses and flats, the St James hotel that was once Queen Victoria's guest *house, and London Transport's* tube stations are all being refurbished and revamped.

Refurbishing offices, particularly, is a major business, more buildings are being listed and so cannot be demolished. But it is not only the historic buildings that are being refurbished.

The advent of the electronic office, increased use of computers and move towards what Mr Michael Manser, President of the Royal Institute of British Architects, [illegible] "universal workplace and carpeted factory"' have all meant that many structurally sound modern *buildings* are now out of date.

"Such is the demand in London for better utilisation of space, more flexibility, air-conditioning and more prestigious buildings for corporate tenants that people want to modernise existing buildings even if they are only 20 years old," explained Mr Brian Hill of Higgs and Hill.

The cost of refurbishment can range from £250 to £1,000 and more per sq metre. But companies are prepared to spend large sums — a major contract such as Higgs and Hill's 15-month refurbishment of the 1930s Adelphi building in London cost £20m — for the increased rental value and extra lettable space that result.

The Adelphi refurbishment produced an increase in lettable floor area from 45,000 sq metres to *56,000 sq metres*. This was achieved by filling in some of the light-wells and by taking out the spacious staircases, lift *shafts and service areas and* combining them in a core service layout in the middle of the building so that less potentially profitable office space was wasted.

Higgs and Hill works on a formula of achieving about 20 per cent extra space by similar means in its other office refurbishment contracts. The company *quotes* a current job where it is a obtaining an extra 50 or 60 sq metres each floor by filling in light-wells to help to justify the money spent on the building.

Another major refurbishment project the company is currently carrying out involves making a courtyard through the deep basement floors of a listed building of which the facade is being retained. Offices in what was an undesirable basement will now look out on to the courtyard and up to an artificial sky.

"OK, it's not quite like the Sistine chapel ceiling," said the Higgs and Hill project manager. "But *it is painted* with clouds and it does make the floors at the bottom more useful."

Other major refurbishments can involve putting atria through the centre of buildings so that previously less desirable central offices can now look up at real sky, or at potted plants, or at features such as statues or indoor fountains.

So the refurbishment going on behind the net and scaffolding is often far more than just *cleaning* a listed *façade and* redecorating the offices inside.

A major project with atria, internal courtyards or new service areas can involve cutting through floors, leaving less than half the original area intact and making gaping holes through which excavators can be lowered on cranes to work on the top storeys.

The whole process is more like scooping out the inside of a building and replacing it than just a facelift; and it can result *in not just* extra *space* but an increase in rental value from £17 to £40 per sq ft.

Fashionable

This trend towards increasing refurbishment and reconstruction while retaining listed facades fits in with the current architectural move away from the concrete and glass blocks so fashionable in the 1950s and 1960s and towards a warmer and more traditional style.

But there are dissenting voices. Mr Manser, for example, thinks there is altogether too much refurbishment. It's not because he does not do well out of it; he does, he says. He has recently carried out refurbishment projects worth more than £6m in London. "But most of the buildings should have been replaced," he says. "They were beyond their design life and people should fulfil their obligation to do the best they can of our own time.

"The City is a living thing, not a museum," he adds. "The worst thing of all is to pull down a building and leave the façade standing. That's the end of the line culturally and like a death mask."

There is much discussion at present of the possible effects on the refurbishment market of the Government's decision to impose 15 per cent VAT on improvements and alterations.

The Building Employers' Confederation is bitterly attacking *the Government* over the move, which it regards as a serious threat that will blight the refurbishment sector, be it of offices or homes.

But despite concern, much of the industry seems more hopeful about the effects of VAT.

Mr Goddard of the CIOB, for example, points out that the effects of VAT could be partly neutralised by other measures announced in the budget at the same time, such as the removal of the National Insurance surcharge and improvements in corporation tax helping create a better climate for investment.

Mr Hill of Higgs and Hill *says* "the new VAT legislation may affect some marginal decisions, but on work in London it will rationalise itself and schemes will still go ahead."

The effect on another important area of refurbishment, turning decaying inner city local authority housing into saleable modern homes, is also debatable.

Barratt has already demonstrated its commitment to urban renewal with the refurbishment of such once-*derelict* and *much-vandalised* local authority blocks as the now-desirable Minster Court in Toxteth, Liverpool.

The company had hoped to complete 1,000 such refurbished urban housing units this year. But this could be affected by the imposition of VAT, said Mr Mike Norton, sales and marketing director.

"*The imposition of VAT is* a big disappointment to us because of its possible effects on our policy of using refurbish*ment to create affordable* inner city homes," he said.

"We reckon the market price which people are prepared to pay so it could affect our margins, because we might not be able to put up the price by 10 or 15 per cent and still sell them."

Negotiating

Barratt has not cancelled any schemes yet. "But we were in the process of acquiring and negotiating for 8,000 properties to refurbish—three or four years' output—and VAT may *affect* that *number*," said Mr Norton.

Mr David Eaton, sales director of Wimpey Homes, which is now refurbishing some 400 local authority housing units, put it more bluntly: "It is a growing market and we are anxious to tackle it and produce inner city homes that people can afford, and we thought the government was too.

"So we're not pleased by 15 per cent VAT because it feels like the Government is urging us on to tackle inner city problems with one hand and slapping us back with the other."

"We've not had to cancel any schemes because of VAT," he said. "But we are negotiating with the local authorities to look for ways round the problem. You can't sell at prices people can't afford so it will have to come off the price of the land or whatever we pay for the property from the local authority.

"You can't tackle it by adding 10 or 15 per cent on to the selling price. You can't just stick it on or people might tell you where to stick it."

Reforms will eliminate age barriers

Education and training

ALAN PIKE

EDUCATION AND training are issues which cannot be ignored in the building industry without quite literally fatal results, as the *sector's disturbing* accident record illustrates.

Because of the very basic need for well-qualified managers and properly-trained employees on construction sites, training is regarded by major companies with a seriousness and commitment not always evident in other industries. This attitude—combined with mobility of labour between employers — also encourages an industry-wide approach to meeting training needs.

The Construction Industry Training Board was one of only a handful of statutory boards to survive the Government's sector-by-sector review of industrial training arrangements, and it will be making training grants of about £26m available to employers in the construction industry in 1984-85.

Major recent preoccupations for the board have been the introduction of the Youth Training Scheme and preparations to change craft training in the industry from a time-served to a skill-standards basis.

There have been some difficult negotiations between the CITB and the Manpower Services Commission on the Youth Training Scheme — building employers on the board insist *that their first responsibility is* to introduce young people to construction skills, while the MSC is anxious to give trainees a *broadly-based introduction* to the world of work.

In spite of these difficulties the board operates the largest YTS contract in the country during the first year of the scheme, and it has agreed to find 18,945 places for the second year of the training *scheme* starting now.

The construction industry scheme has proved popular with young people, and early indications suggest that a high proportion of the first intake of YTS trainees will be offered permanent jobs with employers. But this success will itself cause problems unless employers can be persuaded to find more training places for this *summer's* school leavers.

Proposals to reform the basis of the industry's skills training have been completed after five years' discussion between employers, unions, educationalists and training board officials, and are due to come into effect in 1986.

The move, similar to developments taking place in other industries under pressure from the MSC and Government, is intended to make skilled worker status dependent upon the achievement of nationally agreed standards, eliminate age barriers to training and provide a basis for future career development.

Standards will be established and skill tests developed to cover a range of trades—carpenter, *bricklayer, painter and* decorator, plasterer, roof slater and tiler, stonemason, shopfitter, wood machinist, master asphalter, wall and floor tiler, floor layer, built-up felt roofer, sheeter and cladder, glazier, ceiling fixer and fencer.

The training board's activities are not confined to its work with new entrants to the industry. A range of courses are provided at its training centres at *Bircham Newton, Glasgow*, Erith and Birmingham. And recently the board has become involved with the MSC's Open Tech programme with a new approach to site management training.

Based upon the Chartered Institute of Building Site Management Education and Training Scheme, the course combines distance learning techniques *and residential study*. It operates in conjunction with four learning centres—Bircham Newton, Preston Polytechnic, *Nene College, Northampton*, and Plymouth College of Further Education.

The CITB, the Institution of Civil Engineers and other organisations are currently taking steps to improve the information available to young people—school leavers or graduates—interested in careers in the construction industry.

Assessed

Building and civil engineering courses at more than 30 UK universities and more than 20 *polytechnics have been assessed* by the Civil, Municipal and Structural engineering institutions as automatically meeting their higher educational requirements.

The number of civil engineers graduating from UK universities and polytechnics is usually around 2,000 a year, although it has recently fallen a little.

While unemployment among professional engineers in the industry remains low, some new graduates find the task of getting their first job more difficult than it once was. There is also a growing problem of securing sufficient work-experience places for young people on civil engineering courses.

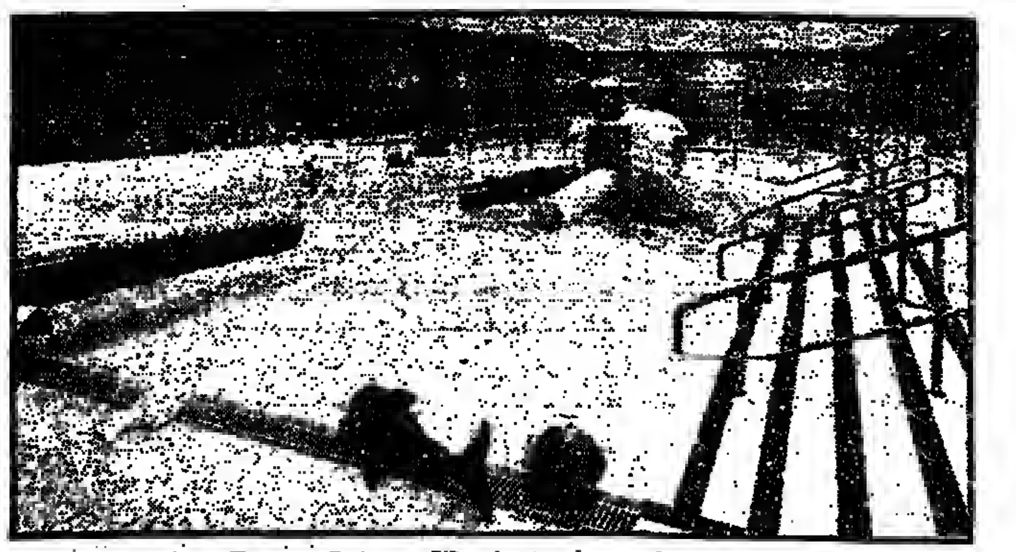
The work-experience problem is aggravated by the fact that most places have to be found with companies carrying out work within the UK. While much of the most successful work of British civil engineering contractors and consultancies is taking place overseas, foreign clients are often reluctant to accept what they regard as unqualified trainees as part of a team.

UK qualifications, however, are well recognised internationally, *with about* a quarter of the membership of the Institution of Civil Engineers working overseas.

The professional institutions in building and civil engineering are, like the other engineering institutions, awaiting Gov*ernment reaction* to a call by the Engineering Council for an extra £200m a year to be diverted to the training of engineers.

It wants a five-year programme during which funds would be specifically earmarked *for use in the engineering* departments of universities and polytechnics. A longer-term ambition of the council is to see a 10 per cent swing from arts to science-based places in higher education.

The council has told the Government that it does not believe market forces alone will be sufficient to guarantee the nation an adequate supply of engineers.



Swimming pools at Fordton Leisure, Warrington borough council's new £1m leisure centre based on the refurbishment and extension of a school building. The work was done in two phases under a design and build contract

Mixed fortunes in a growing market

Leisure

JOAN GRAY

FIVE YEARS ago the arches under Cannon Street Station in the City of London were a cold store for fish.

Now they are loud with the thwack of squash balls, the grunt of aerobics and the splash of swimmers. Prospective members of Antartic expeditions train there, along with City businessmen sweating on the computerised treadmill and stretching their muscles on the body-building equipment.

The arches were first converted into a sports club four years ago. But it failed to prosper, said its new manager, Mr Ron Clark.

The previous management "overspent on the building and economised on the finishing so it was very dowdy when we arrived," he explained. "So we spent £600,000 revamping it to cater for a more discerning market and provide more facilities. Now we have a waiting list to join."

Under the £600,000 refurbishment, special ceilings were put in beneath the arches over the squash courts to trap the water dripping down on them and allow it to run away; a new ventilation system was installed to combat the damp and musty atmosphere; extra attractions, including a water massage bath and sauna, were added.

Mr Jack Lovell, managing director of Morgan Lovell, the company which carried out the renovation, emphasises that sports and leisure are a growing part of his business: "Sports are now between 10 and 15 per cent of our business compared to less than 1 per cent a year ago, and we plan on their being more than 15 per cent next year.

"It's without doubt a growing market. For example, we've also just done a sports club in the West End, and a snooker club, and all these contracts have come up in the last nine months."

Work on the West End club was a £700,000 contract for Morgan Lovell. An old warehouse was converted into an exclusive establishment by putting a swimming pool into the sub-basement and installing a darts centre, saunas, massage room, hairdresser, restaurant and kitchen.

Besides such separate private sports clubs, there is also a trend towards building leisure facilities into larger developments. Morgan-Lovell is, for example, converting a building in Kensington into 180 flats with a built-in swimming pool and squash courts.

This is a £5.5m conversion, in which the £500,000 for the sports facilities can be recouped in the higher selling price of the flats.

While Mr Lovell may be convinced, and everything points to a greater demand for sports and leisure facilities and more work for his company, not everybody is so optimistic.

"I'm very sceptical about the leisure market," said Mr Malcolm Paris, the chairman of Bovis. "The people who make money out of leisure are those who run pubs and betting shops. The problem is that English people are not prepared to pay for leisure, and I don't see it as a growth area for us."

This scepticism is based partly on a failure: the late Skate-City Bovis. This was a venture which planned to set up a chain of 15 or more skateboarding parks costing £70,000 each. "It just never took off," Mr Paris says.

On the municipal side, Bovis has won a contract to build the first nine, standardised SASH sports halls designed by the Sports Council. As part of its Sport for All campaign, the council has an ambitious plan to see hundreds of these standardised halls, funded by local authorities, throughout the country.

Even though Bovis is currently building the first chain of these halls, it still does not change Mr Paris's view of the sports and leisure market. "They're just jobs," he said. "At £600,000 each the SASH sports centres are *helpful* turnover but sports is not enough to build a business on."

There is another problem, according to Mr Brian Hill, of Higgs and Hill. "There is a very limited growth in the leisure business from local authorities," he said, "because with rates cuts leisure facilities are one of the first things to go.

"The leisure market must increase over the next decade," he added. "But it's difficult to know when because the schemes are there but not the funds."

The other argument is that the opportunities are there, if only the companies can find them, and that this is another area where the building industry has to be more innovative.

Lack of identity in many clients is reflected in the architecture which results

Crucial part of the design process

The client's role

COLIN AMERY

WHAT IS IT that clients expect from the building profession? The average client for a new building is looking first and foremost for the best buy. This factor means that too often the design of the building takes second place to economics. How else can the poor quality of so much post-war British architecture be explained.

The best designers always say that they have "good clients." What does this mean? First, it is necessary to define the client. It is rare today for the client to be one single person who wants one new house or office block. It is more likely to be a committee of directors, a pension fund, a government department or a local authority.

The system of property ownership has changed so much that it is more than likely that the client for a building will not be the occupier, and possibly not the long-term owner. For a designer it is difficult to know whose wishes are to be met.

In London it is much less likely that a company will build a large corporate headquarters for itself in the way that American corporations express their image through a prestige piece of architecture.

The anonymity of so much modern architecture is due to the lack of identity of so many clients, and much of the dissatisfaction with much public architecture, particularly housing, arises from the fact that the people who live in the new buildings have so little say in the way they are designed.

Clear

The client's role is a crucial one and it is the job of the building professions to assist in the enlightenment of the client at an early stage. A good client is one who knows very clearly at the outset exactly what he needs. When he is building for speculation this can be a difficulty because he is looking above all, for a good return on his capital investment.

Increasingly, the equity of the major companies that are building is held in an offshore base and this has led to the added complication of the need to compare construction costs and performance on an international scale.

Drawing up a brief under these complex conditions is a difficult process for both client and the professional designer. The architect has to help the client to decide the exact nature of the brief. It is rare for the client to order off-the-peg a complete package.

A complete package would consist of the design, supervision and quantities all at one go. It is more likely that an initial commission will nowadays be limited to feasibility studies, outline designs for a planning application and the procedures to adopt for a planning inquiry.

The architect is concerned with design and this may mean limiting his role to the assembly of components and the explanation to the client of the construction process to ensure an economical building process. He also has to have some kind of second sight to alert the client to the future running costs of a building.

Delicate

Architecture is an independent discipline and many of the problems that arise occur in that difficult area between the establishment of a final design and the management of the entire building project. The marriage of the professions involved can be a delicate operation and it is difficult for a designer to take second place to the services engineer or the cost accountants.

The introduction of management contracting with a management fee has helped to define the process of building. This method assumes that the client and the architect have agreed the brief and are happy to hand over the detailed construction process to a skilled professional manager.

The attitude of the client to professional fees depends on a willingness not to see the design fee as all profit—it is frequently hard-earned although much of the thought that goes into a design is invisible. There is too often the feeling that the architect is imposing a designer's whim rather than directly answering to a precise brief.

Selection of the right kind of project management at an early stage can ease these suspicions and enable the client to feel that the professions are working in his interests rather than their own.

Part of the difficulty for clients' architects lies in the paternalistic views of the architectural profession which evolved in the nineteenth century. It is important that those who build should know their clients and that those responsible for the future of a building should work with the architects on the future management of their buildings.

In the public sector the lack of continuity and responsibility for the management of all structure has led to vandalised housing, poorly-maintained public homes and a lack of contact between the design professions and the users of the properties. The curious division that has developed between architects and housing departments, for example, has led to a loss of contact between those who design and those who maintain.

The most recent development in the commissioning of new buildings in the UK has been the growth of the competition system. This is a serious attempt to break away from the uniformity of much "developers architecture" that seems to reflect the accountants' views rather than the designers.

Two sorts of competitions are supported by the Royal Institute of British Architects. One is the open competition and that simply looks for the best design, and the other is the encouragement of architect/developer entries where the architect teams up with a developer to present a costed package.

This second method has led to the recent fiasco at the National Gallery site where the client body were unable to agree among themselves which scheme should have won.

Ideas

In the future it looks more likely that the kind of competition that will be encouraged is the invitation to a limited number of architects all of whom are interviewed and asked to present ideas. A short list is then prepared who will go on to present more detailed ideas. This process has been successfully employed by Lloyd's of London and the BBC.

Despite *some recent failures*, the competition system holds out the most hope for the discovery of good new designers and should break the monopoly of the large but mediocre practices that have captured the development market. It is sometimes not realised that the RIBA runs an effective and efficient Clients Advisory Service which will offer potential clients a short list of suitable architects with a selection of photographs of their work.

There is a great need for this kind of introduction service to be developed to widen the range of choice. The client has an important role and deserves to be offered as much information as possible before making *the irreversible* decision to build. Every client contributes to the national environment and only with effective information services can he be helped to make the right choices.

Complex task of co-ordination

Management

COLIN AMERY

TO PUT UP a new building today is inevitably a complicated process. It is no longer simply a matter of choosing an architect and letting him get on with the whole process of running a series of building contracts with *all the different trades involved* in construction.

Management has practically become a science and professional training is essential for those engaged in building management.

There are basically six alternative methods of managing a large building construction programme. The first is the old-fashioned (only because it has been around longest) standard form of contract. Under this system a bill of quantities is prepared by the contractor and this may be on a fixed price or variable basis.

The contractor is responsible for all the sub-contractors and for placing all the orders for materials and so on.

Under the standard form of contract's terms it is the main contractor who is responsible for the entire works and carries the legal liability. The architect or the quantity surveyor usually acts as a go-between and arranges the establishment of this sort of contractors' contract. It is unlikely that the client would have to negotiate a standard form of contract directly.

The second and newer form of contractual relationship is known as project management. Today there are several firms, large and small, offering overall co-ordination of all aspects of a major project.

A project manager works on behalf of the client and is always appointed by the client. *The work of the project manager* starts early — he takes the responsibility for preparation of the brief, working closely with the client. He is then responsible for the detailed programming and supervision of the entire design process. Selection of the right form of contract for the job is also the responsibility of the project manager.

Negotiate

In a recent survey (Building for Industry, Building EDC) the complexity of the job of a project manager was explained and the explanation revealed the ned for this co-ordineting figure.

It was found in the study that project managers performed a wide range of tasks. They found and negotiated for sites, organised financial backing, formulated initial briefs, conducted negotiations with the planning authorities, found the right architects, consultants and contractors and conducted negotiations with all of them. The project manager's selection of the contractor was based on competition with full or approximate bills.

The report makes an interesting observation about the choice of contractors, which is so often a crucial factor for the client: "Contractors were chosen not only on cost but on time, management calibre and performance record; in awarding contracts project managers used their discretion to advantage, a discretion which under traditional arrangements had often not been explicitly given or assumed by the architects.'

Project management is being used increasingly by clients with experience of construction as a way of saving both time and money. The UK is one of the most expensive countries in which to build; construction times and costs are greater here than in Europe and North America.

A third alternative system is the straightforward management contract. The appointment of a management contractor ensures that the planning of the site work is co-ordinated for a fee.

This fee is agreed at the outset but the actual construction work is sub-let on a system of competitive bidding. The management contractor provides some contractual security by placing the orders and sub-contracts and accepting some of the contractual risk.

A fourth method is what has become known as management fee contracting, when the contractor is in charge of the planning and management of a building project while doing much of the construction work himself. In this instance the cost is negotiated on a prime cost basis with a quantity surveyor throughout the design process. There is some risk in this method for the management contractor, who will also take the responsibility for orders and sub-contracts.

Two-stage

Another version of this sort of management of a job is a fifth type of contractual deal whereby the contractor takes on the construction management role. Under this system the running of the job is done by the contractor but the client places the actual orders for works.

Tendering is the complex area of all building negotiations and the method that has become most common is known as two-stage tender (fast-track), the sixth type managing system.

The idea behind this method is that the contractor is fully responsible for all aspects within the terms of his contract and he can be brought in to the building and management process at an early stage. The contractor has to price an approximate bill of quantities and adds a fixed sum for preliminaries profits and overheads and fixed rates for elements in the bill of quantities. The contract is remeasured on completion.

The vital point about this method is that it depends on the availability of information to the contractor at an early stage. The need for a good computer-based data bank is essential today for this sort of fast-track tendering.

The handling of large building projects now demands a wide range of professional skills. It is almost impossible for one building company to encompass all the elements that must include: construction management and project management, cost control and a knowledge of the service side of building—both the mechanical and electrical services and the special needs related to energy conservation.

It is no longer possible for the architect to be leader of the whole design team. He must now work with other professionals on an equal footing.

There is almost a need for a new kind of professional who can stand away from the drawing board and help the client to cost and control a new building project from beginning to end. Management of the building process is slowly being transformed to answer this need.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Advertising

When images linger on

Féona McEwan on what constitutes a hot 'property'

YOU DON'T have to be a gravyholic to know the Bisto kids. For more than 50 years these cartoon ragamuffins have been hot on the heels of that distinctive whiff. And they're still at it. Not a day older, chipper as ever, inextricably locked into the image of the brand leader. Nothing has changed: Or has it? A less raffish look perhaps (they were redrawn in 1979), as befits post-welfare state urchins, but ever on the scent, keeping the brand flag flying.

This is one of the oldest examples in UK advertising of that elusive ingredient which many in the business seek, but few find: a hallmark. What is known as a brand property. It is hard to define—dictionaries won't help—related less to what a product is than how the brand is perceived, what it does and what the advertising suggests. It is the added value of a brand.

Barry Day, vice chairman of McCann Erickson worldwide, has called it "an element in the brand's (or service's) communication that is unique, memorable and insolubly linked to that brand and no other."

At its most developed, a property becomes the symbol of the product. So the eye sees a "Kid" and the mind says Bisto; the eye see a shaggy sheepdog and the mind says Dulux Paint; the ears hear Air on a G-String and the mind says Hamlet cigars, and so on.

Brand properties come in all shapes and forms, some more obvious than others. Visual devices, often animals and children, have been popular since the 1930s when only posters and press were available, when messages had to be singular, compact and potent.

The evergreen PG Tips chimps are still, 25 years on, imbuing the brand with affection and high memorability as well as jollying up a dreary market sector.

The Esso tiger, corporate symbol of power, grace and durability for 57 years, has been through a number of incarnations—originally a cartoon figure in the Disney-influenced days before mass photography, he became the "tiger in your tank" of the 1960s, took a rain check in the fuel-famined 1970s before re-emerging "in the flesh" to embody the virtues of Esso's North See oil venture. Now he's extended his duties to product branding, tyres and oil sales promotions.

Then there are aural devices, previously examined on this page, when the emotive sounds of jingles and voiceovers hijack the mind—British Gas and its myriad arrangements of the Cookability theme; Qualcast lawn mowers and John Arlott's authoritative and persuasive tones, Sony and John Cleese's humorous jargon-free commentary.

Techniques can make up a brand property; the famous if predictable Stork margarine test which, love it or loathe it, must work or McCanns wouldn't still be running it after 27 years. Head and Shoulders has been washing half-heads in its commercials for 10 years, and still proving its point as king of the dandruff conquerors.

Pedigree Chum has maintained its market leader status for 21 years with agency Ted Bates on the same "top breeder endorsement" formula, unchanged but for imperceptible modernisations.

In a creative class of its own, Benson & Hedges has carved itself a unrivalled niche; its meticulous photography and inventive execution have become a signature of style and superiority. Now the added value is such that the brand is market leader, is able to charge premium price (about 4p more than its nearest rival) for a product that many say is no different in taste or distribution from its rivals, and what is more, for significantly less than the advertising spend of its major competitor.

This is no accident. Agency Collett Dickenson Pearce prides itself on its ability to build brands by the sort of advertising which sees properties as a pivotal force. Certainly its portfolio is remarkable—Hovis (15 years), Hamlet (20 years), Heineken (which started at CDP 10 years ago), B&H (18 years), Cinzano (7 years before it moved on).

The original B&H advertising proposition was "the best cigarette money could buy" which is now the perception its advertising has created. "Building properties is a vital factor in our agency approach," says John Spearman, CDP's managing director. "If you can achieve repetition without monotony you can gain an enormous amount of perceived weight even on a relatively modest budget. When you see a Hamlet commercial, for instance, you are seeing 20 years of Hamlet advertising."

The business of building a property, he says, is a dual discipline. There is the initial investigation in order to identify the brand promise and potential promise; "groping in the entrails," Spearman calls this research-intensive stage. "Once identified, it can look rather obvious and bland."

The second stage is the business of injecting that proportion with individuality and character—"nailing it to the brand."

Celebrities, another possible strand in the property make-up, can lend authority, credibility and glamour though this can be fraught with pitfalls, such as the over-exposure factor—Terry Wogan, for instance, has spoken on behalf of Findus, Flora, Currys, Hotpoint Schreiber—and there is always the chance that people will recall the personality, not the product. Rossiter and Collins, brilliant as they are, have been accused of this in the Cinzano ads. The late Rene Cutforth on the other hand, gave the unlikely Krona spread story a credibility it might otherwise have lacked.

Usually, of course, the property is an elusive mix of ingredients. The emotional world of the Bisto kids is made up of what its agency D'arcy MacManus Masius calls "brand furniture" which includes the "Ahh Bisto," phrase, the visual gravy trail and jingle, as well as the kids.

Hamlet cigars have for 20 years used the famous Bach refrain and humorous vignettes based around the familiar formula of sticky situation and relief in the form of a Hamlet cigar. In 1964, it was one of a quartet of indistinguishable *mild-smoke cigars* with 2 per cent of the market. What is more it alone was packaged in the cheaper slide pack rather than the tins of the rival brands which research showed were preferred.

CDP isolated "sense of contentment" as the selling platform—it was the money-flowing, leisure-seeking 1960s—as opposed to the "sex" and "mild smoke" platforms of their rivals.

Now 70 commercials later, Hamlet boasts 40 per cent of the total cigar market in UK and is able to sell at a premium price (about 2p dearer than its nearest rival). "That's what a property can do for you," says Spearman.

For those lucky enough to create, recognise and nurture them, properties give brands a means of capitalising on their past. Like corporate advertising, which reaps its harvest after consistent sowing, properties take time. The slow burn principle, as one agency director puts it.

They are the long-life factor in a campaign which the best examples keep fresh and vital through new interpretations and executions. "The trick is not to let it ossify, to move it on technically," says Martin Boase of *Boase Massimi Pollitt*, which has won seven out of the last 10 campaigns of the year at the Design and Art Direction awards, the industry's Oscars. BMP has an admired stable of properties, including the Smash *Martians*, the John Smith performing dog, the Hofmeister bear, all of which share a rich texture of acutely observed detail which rewards repeat viewing.

First principle in any "property" development, agencies will tell you, is the enlightened client. "One who believes in evolution, not revolution," says Jeremy Bullmore, chairman of J. Walter Thompson. "They come to clients who deserve them," says Boase. "Those who have a consistent posture."

The I-want-to-make-a-mark brand manager who chooses gratuitously to jettison a brand property and with it the goodwill carefully and expensively nourished over the years, is viewed askance by agencies who know its value to the brand.

Having said this, every property has its day; the trick is knowing when to change gear. The Guinness animal zoo, one of the most memorable if unlikely image-makers, was retired long ago even if the toucan did make a shortlived comeback.

Even if it's put out to grass, there's no reason why a property can't be revived. Maxwell House, which in the 1960s built a series of ads around the sound of coffee percolating, has brought back its aroma-inducing "percle" in its current Master Blend commercials.

The Bisto kids in the 1920s: still going strong and no older 65 years later

AD HOC

MINDFUL of the tendency of trade gatherings to lapse into platitudes, the Advertising Association's biennial conference is this year attempting *to tackle some of the more* gritty issues.

The question mark over the title, "A Talent to Sell?," signals the challenge. "We shall be trying," says Jeremy Bullmore, chairman of J. Walter Thompson and of the AA, "to concentrate on that elusive thing called quality rather than anything you can add up *called quantity* . . . Quality of imagination, of brands, of communication."

So as well as the de rigueur success stories—the section "I tried it, it works," will see the client speaking out—there should be a healthy dose of the provocative and the irreverent. "An American cynic"—could this perhaps be *Ted Turner, the cable TV* proprietor? — threatens to raise temperatures.

Is British *advertising* best, or just different? More effective? A good traveller? Jay Chiat of Chiat Day, New York, pronounces. Is *advertising* a worthwhile investment? Analyst Max Dolding of stockbrokers James Capel offers a City view. Other questions raised will include: How effective are we at harnessing native innovative talent in product and design? Are UK companies sufficiently marketing motivated? Are foreign companies the heaviest users of our talent?

Speakers will include David *Owen*, leader of the Social Democrats, Ken Fraser of Unilever, Michael Mander, chairman of International Thomson Publishing, BBC radio journalist, Peter Hobday, Frank Lowe of Lowe Howard-Spink Campbell-Ewald, David Batterbee and Chris Powell of Boase Massimi Pollitt.

The venue this year, after the 1982 sortie to Harrogate, is by popular demand a drive away for most delegates, in ad industry heartland—London—at The Hilton, Park Lane, London W1 on September 27 and 28. Details from Macfarlane Conferences, Mappin House, 156-62 Oxford *Street, London W1.*

F. McE.

Matching up to the market

Lisa Wood explains why Bryant and May redirected its strategy

"WE ASKED ourselves what business are we in. At first we said matches. But we were not. We were in the 'lights' business. Until that realisation we had looked at disposable lighters as the enemy."

Thus David Taylor, marketing director of Bryant and May, Britain's only remaining match maker, explains how *his* company discovered the key to halting its decline in the £123m UK lights industry.

But while a move into disposable lighters has been a step towards reversing the downward trend, a major plank of its revival strategy has been aggressively to exploit its Swan Vestas brand name.

Now, to further its aims in the "lights" industry, it is selling a range of smokers' accessories — pipe cleaners, lighter fuel, flints and gas lighter refills — bearing the Swan brand and its familiar red, yellow and green livery. The next step is to bring a Swan lighter to the market.

Such a change has not been achieved without substantial reorganisation within the 100-odd year-old company and the closure of two factories in London and Glasgow.

In 1980 Wilkinson Sword, the parent company, formed a Consumer Products Group, says Taylor. But it was found that razor blades and matches were not a viable fit using the same sales teams. It was *decided in 1982* to return the group to a divisional organisation and a new management team at B and M took a fresh look at the business.

The revaluations concerning the lights industry followed and in early 1982 B and M took on distributorship of Clipper refillable lighters, made in Spain, and Chukka disposable lighters, made in Japan. The company now claims that the two lighters have a 38 per cent and 10 per cent share of their respective markets.

Disposable and low price refillable lighters are a major growth area in the "lights" market, currently accounting for some £15m of annual sales compared with the slower growing £33m market for gift lighters. An industry review estimates *that unit sales of disposables* and refillables will increase by 30 per cent this year alone.

"We also reviewed our matches business," says Taylor. "It includes Swan Vesta, our major brand, and regional brands such as Scottish Bluebell and England's Glory.

"We questioned those that said there was no scope for growth of branded matches in the face of lower-cost imports, many of which are from Iron Curtain countries and are exported to earn hard currency.

"We looked at our policies on 'own label' which at the time were ambivalent. We decided that we would supply 'own label' but would put forward a strong case for a brand."

In support of this strategy the company changed its advertising on Swan Vesta, the 10p "smokers' match." "We changed from a defensive *strategy which persuaded* primarily the pipe smoker that he had made a good choice in buying Swan Vesta, to a more offensive strategy geared towards both sexes and particularly the younger end of the market," Taylor says.

The new advertising campaign started in March. "It seems to be working," says Taylor, "and we estimate Swan market shares of the £75m matches market has gone up from 25 to 27 per cent." Out of B & M's total match production of 37bn Swan Vestas account for 16.4bn.

The third phase of the strategy was to look at product extension into the £15m tobacco accessories market with the company unveiling its Swan-branded products earlier this month.

B and M is just embarking on the final phase of the strategy. "This is to get closer to and understand better the needs of *the trade—grocers, tobacconists* and others. While a consumer asks for a brand of cigarettes he or she often relies on the tobacconist's judgment for the "incidental" purchase, the matches.

As yet B and M has not seen a substantial increase in its pretax profits but Taylor says: "We have exceeded our operating profit target by several hundred thousand pounds.

"We have turned around a business that was continuing to be profitable but which is now seen as a growing profit area."

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9 %
Amro Bank	9 %	Hongkong & Shanghai	9 %
Henry Ansbacher	9½%	Kingsnorth Trust Ltd	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9½%	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9½%	Edward Manson & Co.	10½%
Bank of Ireland	9½%	Meghraj and Sons Ltd.	9½%
Bank of Cyprus	9½%	Midland Bank	9½%
Bank of India	9½%	■ Morgan Grenfell	9 %
Bank of Scotland	9½%	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9½%	National Girobank	9 %
Barclays Bank	9½%	National Westminster	9 %
Beneficial Trust Ltd.	10 %	Norwich Gen. Tst.	9½%
Bremar Holdings Ltd.	9 %	People's Tst. & Sv. Ltd.	10 %
Brit. Bank of Mid. East	9 %	R. Raphael & Sons	9 %
■ Brown Shipley	9½%	P. S. Refson & Co.	9½%
CL Bank Nederland	9 %	Roxburghe Guarantee	9½%
Canada Permn't Trust	9 %	Royal Trust Co. Canada	9½%
Castle Court Trust Ltd.	9½%	■ J Henry Schroder Wagg	9 %
Cayzer Ltd.	9½%	Standard Chartered ‖	9½%
Cedar Holdings	9 %	Trade Dev. Bank	9½%
■ Charterhouse Japhet	9½%	TCB	9 %
Choulartons	10½%	Trustee Savings Bank	9 %
Citibank NA	9½%	United Bank of Kuwait	9 %
Citibank Savings ¶	9½%	United Mizrahi Bank	9 %
Clydesdale Bank	9½%	Volkskas Limited	9½%
C. E. Coates	10½%	Westpac Banking Corp	9 %
Comm. Bk. N. East	9½%	Whiteaway Laidlaw	9½%
Consolidated Credits	9½%	Williams & Glyn's	9½%
Co-operative Bank *	9 %	Wintrust Secs. Ltd.	9½%
The Cyprus Popular Bk	9½%	Yorkshire Bank	9 %
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	9½%		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9½%		
Heritable & Gen Trust	9½%		

■ Member of the Accepting Houses Committee.
* 7-day deposits 5.75%. 1-month 6.50%. Fixed rate 12 months £2,500 5.5% £10,000, 12 months 5%.
† 7-day deposits on sums of under £10,000 5%, £10,000 up to £50,000 6¾%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5¾%.
§ 21-day deposits over £1,000 7%.
‖ Demand deposits 5¾%.
¶ Mortgage base rate.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday May 31 1984

EEC and British policies 'cost 2m jobs,' Page 44

WALL STREET

Iranian oil reports spur rush to buy

WALL STREET lived up to its reputation for drama yesterday when sudden rumours of a cut in oil prices by Iran sent stocks soaring in an oversold market. The sudden wave of buying turned a fall of 12 points on the Dow Jones scale into a gain of 11 points within an hour. By the close, however, support was fading and the mood was turning bearish again.

Traders did not wait for confirmation of the oil price rumours. Indeed, the violence of the upswing suggested that the stock market was ripe for a rebound.

Earlier stocks bad fallen heavily as buyers backed off in the face of news of a widening U.S. trade deficit, an unexpectedly sharp fall in house sales and the expectation that today will bring news of another increase in M-1 money supply.

At the close, the Dow Jones industrial average was a net 1.35 points higber at 1102.59, after dipping to 1087.93 at its weakest and rising to 1112.50 at the heigbt of the buying frenzy. Many of the buyers were clearly covering selling positions taken out during the morning. Turnover, at 106.4m sbares was the highest for several weeks.

The bond market was less excitable, and prices staged only a temporary recovery from early weakness. Sellers returned in the final hour, and the key long hond slipped back again to close at 95 5/32, a net loss of 29/32. Earlier, the bond had traded as low as 94 27/32.

The announcement that Bolivia was suspending debt payments caused only minor ripples among stocks of the banks, since their exposure to that country is light. Continental Illinois slipped back $½ to $7⅞ as the cbairman forecast a continuing presence by the Federal

The closing Wall Street report and updated U.S. market monitors were unavailable because of continuing industrial action at the Financial Times' printers in Frankfurt.

Deposit Insurance Corporation in the disposition of the troubled bank.

American Express dipped by $1⅝ to a new low of $25¼ in a generally weak financial stock sector. Phibro-Salomon, currently considering splitting up the three-year-old merger by selling off the bulk of the Phibro commodity trading side, fell by $1⅜ to $22½, also a new low.

Spirits were low in the securities trading industry after confirmation of a 10 per cent staff cut at A. G. Becker Paribas, which is not the only trading firm to have laid off employees. It was unfortunate timing that brought the announcement that a seat on the NYSE bad been sold for $300,000, a fall of $50,000 since the last sale less than a fortnigbt ago.

Among the industrial leaders, IBM shed $⅜ to $106¼, Ford Motor was $¼ off at $35⅝, and AT&T fell $¼ to $15¼.

News that National Semiconductor has been barred from military aerospace contracts sent the stock down $1 to $11¾.

But there were a few firm spots, wbich reflected special situations. Teledyne put on $2¼ to $201¾ in response to success of the offer to buy in stock – some 6.7m shares were tendered, the board reported.

In a more subdued takeover sector, Walt Disney dipped $1⅛ to $63, with speculators registering disappointment that Mr Saul Steinberg is seeking a proxy fight rather than a bid.

Revlon, whicb again denied takeover rumours, fell $1⅜ to $35¼.

Once again, early trading in the bond market was thin but prices plunged on the absence of support. At 94 27/32, the key long bond was another full point down and yieldiog around 13.96 per cent.

Sbort-term rates also edged higher, with the five year Treasury note trading ahead of the day's auction at a yield of 13.61 per cent, seven basis points up.

The municipal bond market continued to weaken in the face of a beavy calendar on new issues.

LONDON

Steep slide as gloom takes hold

A WAVE of institutional selling and persistent small offerings proved too much for London equities still tender after an almost endless stream of gloomy economic indicators.

Measuring the extent of the fresh setback in blue chips, the FT Industrial Ordinary index plunged 22.8, its second steepest fall ever, to 603.4 making a decline of 119.4 – nearly 13 per cent – from its all time peak earlier this month.

Wall Street's overnight performance and the UK's buge April trade deficit provided the background for yesterday's shakeout.

Gilts passed a relatively quiet day with falls in the longs extended to ⅝ while losses in shorts ranged to 7/16.

Chief price changes, Page 38; Details, Page 39; Sbare information service, Pages 40-41

HONG KONG

LACK of direction plagued Hong Kong yesterday as investors continued their wait-and-see stance on interest rates and the colony's future. The Hang Seng index gained 5.57 to 928.6 during the regular balf-day session.

Leading issues fluctuated narrowly with Cheung Kong 10 cents up at HK$8.35, Hongkong Land steady at HK$3 and Hongkoog Wharf 2 cents ahead at HK$3.62.

Meanwhile, Hongkong Bank shed 5 cents to HK$6.25 but Hang Seng advanced 25 cents to HK$34.25 and Overseas Trust Bank firmed 7 cents to HK$2.87.

SINGAPORE

POSITION squaring ahead of the end May settlement period aided sentiment in Singapore with the Straits Times index rising 2.57 to 954.44. Turnover, however, was ligbt.

Consolidated Plantations, the most active stock of the session with 307,000 shares traded, was steady at S$2.84.

Banks saw OCBC advance 20 ceots to S$10.30 and UOB rise 2 cents to S$5 on 167,000 shares traded. A number of other leading stocks finisbed the session unchanged.

AUSTRALIA

THE LOWER bullion price forced many leading mining stocks io Sydney to lose ground with the All Ordinaries index at a nine-month low of 666.7, a fall of 7.6 points.

Among resource stocks to drop were MIM boldings, 16 cents weaker at A$2.82, Bougaioville Copper, off 3 cents at A$2.12 and CRA 6 cents lower at A$4.94.

Industrial leader BHP lost 10 cents at A$9.60 ex-divideod while in banks Westpac moved against the trend with a 2 ceot rise to A$3.66. ANZ lost 12 ceots to A$5.24 on suggestions of a large fund raising in the market.

Others to advance in the session were Thomas Nationwide, 2 cents ahead at A$1.62, and Carlton United Breweries, 5 cents stronger at A$4.20.

SOUTH AFRICA

A FIRMER tone developed in Jobannesburg gold sbares abead of the long weekend break, but was insufficient to erase earlier weakness.

Free State Geduld finisbed the day a net R1 off at R51.25 while Gold Fields confined its loss to 25 cents at R29.50. A large number of retail and consumer related stocks held steady wbile industrials were mixed. Industrial leader Barlow Rand eased 5 cents to R14.15.

CANADA

OIL and gas related issues took the brunt of a sharp retreat in Toronto yesterday with base metal issues also displaying considerable weakness. Golds eased.

Banks moved against the downward trend in Montreal and extended their recent recovery. Utilities and industrials were almost matched in the pace of their declines.

EUROPE

Frankfurt at year's low-point

THE BREAKDOWN of talks between employers and trade unions in the West German engineering industry and the deepening rift between the two sides involved in the metal workers' strike left *the Frankfurt bourse sharply lower yesterday.*

The Commerzbank index fell througb the 1,000 level to its lowest level since November 8 last year – down 17.5 at 966.9. This compares with its high for the year of 1,096.5, established on February 2.

Shares also dipped to their low point for the year in the Netherlands with the ANP-CBS General index down 3.7 to 153.6.

The decline was led by the banking sector as concern grew over international debt problems in the wake of Bolivia's temporary suspension of debt repayments to private banks.

Similar concern was evident in a number of other centres, exacerbating the unwillingness of investors to take up new positions ahead of today's Ascension Day holiday in much of Europe.

In **Frankfurt**, a uniformly weaker banking sector saw Deutscbe Bank down DM 12.40 to DM 341.60 ex-dividend, Dresdner Bank DM 5 easier at DM 154.50 and Commerzbank DM 9.30 lower at DM 153. BHF shed DM 5 to DM 260, Bayern Hypo DM 2 to DM 287 and Bayern Verein 50 pfg to DM 315.

Bonds slipped in thin and featureless trading with the mood dampened by the lower overnight trend in U.S. credit markets. The Bundesbank bougbt DM 5m worth of paper to balance the market after selling a small DM 2.1m the previous day.

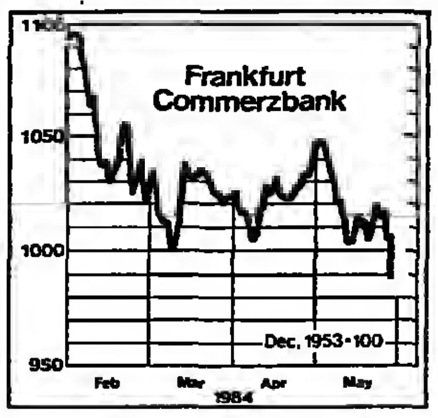
In **Amsterdam**, insurer Nationale-Nederlanden led the declines, dropping Fl 29 to Fl 197, ex its Fl 4.90 cash plus 10 per cent bonus share dividend. Large offerings of the stock dividend were reported, despite the insurer's 28 per cent rise in first-quarter revenues. Aegon was lower in sympathy, falling Fl 5.20 to Fl 116.80.

Initally sharply lower bank sbares came in for some later buying. ABN nevertheless shed Fl 7 to Fl 332.

Bonds fell in somenmes nervous trading as the dollar declined after Bolivia's suspension of debt repayments.

Month-end book squaring and the forthcoming long weekend for some operators left shares easier in **Zurich** and the Swiss Bank Corporation Industrial index at its low for the year, down 1.8 at 359.30.

Brussels continued its downward drift. Analysts suggest that despite the considerable liquidity in the market – the result of dividend payments and "de Clercq" funds – investors expect the



market to decline further in line with other European centres and are waiting for cheaper prices before stepping in as buyers.

Among the few rising stocks was steel maker Cockerill-Sambre whicb rallied on Tuesday after announcing it expects to break even in 1985 after years of losses. The shares continued their improvement yesterday, adding BFr 4 to BFr 308.

Paris proved a firmer spot with encouragement being drawn from a National Statistics Institute report that French companies were turning in an improved performance.

In **Stockholm**, investors had their first opportunity to react to Volvo's record first-quarter profits, announced after the bourse close on Tuesday. Volvo's sbares added SKr 25 to SKr 485 and this was largely responsible for the improvement in the J & P index which was up 28.62 from the previous day's 1984 low to 1,416.62.

Milan ended mixed, although Centrale extended its speculative rise, adding L70 to L2,440. In **Madrid**, shares recovered slightly after 10 days of steady declines.

TOKYO

Rate fears force broad retreat

THE OVERNIGHT drop on Wall Street and a bond price decline triggered an almost uniform fall in share in prices Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average lost 23.00 from the previous day to 10,140.97. But gaining issues outnumbered losers by 335 to 315, with 168 shares unchanged. Volume shrank to 220.31m shares from the previous day's 247.66m.

Wall Street's decline came as a disappointment to investors seeking any incentive against the various unfavaurable factors afflicting the Tokyo market.

Against this bearish background, some pharmaceuticals and food companies with drug divisions again attracted speculative buying. Mochida Pharmaceutical, engaged in development of an anti-cancer drug, spurted Y300 to Y5,900.

Ono Pharmaceutical also posted a substantial rise of Y952 to Y10,000 on reports that the Health and Welfare Ministry had given the go-ahead for the company's manufacture of an abortion-inducing drug.

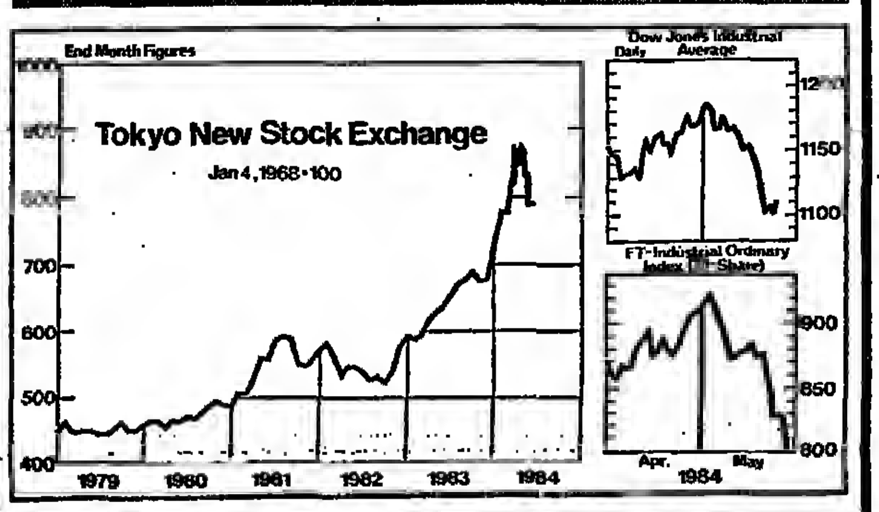
Meiji Milk jumped Y33 to Y373, bolstered by an announcement that the dairy food maker would market 52 versions of monoclonal antibodies from June, Kokkoman gained Y32 to Y525 on the strength of its plan to commercialise a heart drug.

Blue chips – notably light electricals – lost ground on a wide front under small-lot selling pressure. Fuji Photo Film fell Y60 to Y1,570, Matsushita Electric Industrial Y50 to Y1,720 and TDK Y230 to Y5,100.

Supported by a firm business performance, Hazama-gumi was the most active stock with 10.48m shares changing hands, rising Y15 to Y450. There were also suggestions that the company would soon increase its capital.

Bond prices fell back as medium- and small-sized securities companies, wary about rising U.S. long-term interest rates, placed sell orders.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	May 30	Previous	Year ago
DJ Industrials	1102.59	1101.24	1216.14
DJ Transport	464.40	457.82	545.10
DJ Utilities	122.69	122.54	130.12
S&P Composite	151.26*	150.29	164.46
LONDON			
FT Ind Ord	803.4	826.2	704.8
FT-SE 100	1026.6	1056.1	951.1
FT-A All-share	482.21	494.87	434.0
FT-A 500	527.03	541.59	473.36
FT Gold mines	672.2	680.5	590.7
FT-A Long gilt	10.92	10.86	10.26
TOKYO			
Nikkei-Dow	10,140.97	10,163.97	8622.35
Tokyo SE	790.74	793.61	638.11
AUSTRALIA			
All Ord.	668.7	676.3	614.8
Metals & Mins.	441.8	450.7	550.3
AUSTRIA			
Credit Aktien	54.69	54.68	57.93
BELGIUM			
Belgian SE	149.63	150.93	120.69
CANADA		Previous	Yr ago
Toronto			
Metals & Minls	1936.00*	1947.11	—
Composite	2213.00*	2222.49	2453.2
Montreal			
Portfolio	107.40*	107.63	—
DENMARK			
Copenhagen SE	178.78	181.29	144.69
FRANCE			
CAC Gen	173.0	172.1	125.5
Ind. Tendance	107.8	107.3	76.8
WEST GERMANY			
FAZ-Aktien	339.88	345.99	304.82
Commerzbank	988.9	1006.4	910.1
HONG KONG			
Hang Seng	928.6	923.03	903.18
ITALY			
Banca Comm.	207.19	206.70	192.19
NETHERLANDS			
ANP-CBS Gen	153.8	157.5	125.3
ANP-CBS Ind	123.8	126.2	101.8
NORWAY			
Oslo SE	273.62	271.06	183.13
SINGAPORE			
Straits Times	954.44	951.87	930.95
SOUTH AFRICA			
Golds	n/a	1038.0	877.5
Industrials	n/a	1051.5	951.2
SPAIN			
Madrid SE	118.71	119.46	118.98
SWEDEN			
J & P	1416.62	1388.0	1413.61
SWITZERLAND			
Swiss Bank Ind	359.30	361.1	321.7
WORLD	May 29	Prev	Year ago
Capital Int'l	175.2	175.9	177.1

GOLD (per ounce)

	May 30	Prev
London	$385.50	$385.75
Frankfurt	$386.50	$385.75
Zürich	$386.75	$385.75
Paris (fixing)	$385.44	$388.16
Luxembourg (fixing)	$384.50	$386.00
New York (June)	$384.50	$385.20

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	May 29	Previous	May 29	Previous
$	–	–	1.385	1.386
DM	2.734	2.73	3.79	3.7875
Yen	231.4	231.7	320.75	321.25
FFr	8.3975	8.4125	11.6275	11.655
SwFr	2.2615	2.257	3.135	3.13
Guilder	3.0815	3.081	4.27	4.2725
Lira	1689.0	1687.0	2338.5	2337.5
BFr	55.76	55.75	77.2	77.25
C$	1.29425	1.27525	1.792	1.7945

INTEREST RATES

	May 30	Prev
Euro-currencies (3-month offered rate)		
£	9¾	9¾
SwFr	4⅛	4
DM	6 1/16	5 15/16
FFr	13½	13½
FT London Interbank fixing (offered rate)		
3-month U.S.$	11¾	11 13/16
6-month U.S.$	12½	12½
U.S. Fed Funds	10 11/16*	10½
U.S. 3-month CDs	11.30*	11.30
U.S. 3-month T-bills	9.77*	9.82

U.S BONDS

Treasury	May 30* Price	Yield	Prev Price	Yield
12⅝ 1986	99 19/32	13.03	99 17/32	12.90
12⅞ 1991	93 9/32	13.94	93 31/32	13.75
13⅛ 1994	95 19/32	13.97	96 9/32	13.83
13¼ 2014	95 7/32	13.93	96 7/32	13.80
Corporate	**May 30* Price**	**Yield**	**Prev Price**	**Yield**
AT & T				
10⅜ June 1990	88⅞	13.65	88⅞	13.65
3⅞ July 1990	69⅞	10.70	69⅞	10.70
8¾ May 2000	66½	14.05	66½	14.05
Xerox				
10⅞ March 1993	82⅞	14.20	82⅞	14.20
Diamond Shamrock				
10⅜ May 1993	81⅜	14.40	81⅜	14.40
Federated Dept Stores				
10⅜ May 2013	78	14.05	78	14.05
Abbot Lab				
11.80 Feb 2013	84¾	14.00	84¾	14.00
Alcoa				
12¼ Dec 2012	85⅞	14.35	85⅞	14.35

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	59–22	60–11	59–21	60–13
U.S. Treasury Bills (IMM) $1m points of 100%				
June	90.14	90.20	90.08	90.14
Certificates of Deposit (IMM) $1m points of 100%				
June	88.39	88.43	88.35	88.45
LONDON				
Three-month Eurodollar $1m points of 100%				
June	88.31	88.34	88.29	88.34
20-year Notional Gilt £50,000 32nds of 100%				
June	101–27	102–05	101–21	102–02

COMMODITIES

(London)	May 30	Prev
Silver (spot fixing)	662.30p	665.85p
Copper (cash)	£1025.25	£1038.00
Coffee (May)	£2306.00	£2285.00
Oil (spot Arabian light)	$28.50	$28.40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	15¼	AAR	.44	2.2	20	82	19¾	19½	19½	−⅛
53	31½	ACF	1.40	2.7	142	231	52½	52½	52½	
18⅞	13⅛	AMF	.50	3.4		534	14⅞	14½	14⅝	
41¼	25⅛	AMP Co			5	5792	32¼	29¾	31½	+1¼
20⅞	17½	AMR	pf2.18	11		40	20	19⅞	20	
41½	29⅝	AMR	pf2.13	6.3		747	34¼	32	33¾	+1⅛
25⅛	23	ANR	pf2.67	11		2	23¼	23¼	23¼	
16¾	8¼	APL			4	23	10⅞	10⅛	10¼	−⅛
55¾	40⅛	ARA	2.10	4.9	9	471	43	41⅞	42⅝	+⅞
73½	50¼	ASA	3a	4.9		942	62¼	61	61	−¼
33⅞	17	AVX	.32	1.6	15	193	20½	19⅞	20¼	+⅛
53⅝	38⅜	AbtLab	1.20	3.1	13	2155	39⅝	38¾	39¼	−⅛
30¼	23¾	AccoWd	.60	2.3	15	13	25¾	25½	25¾	+¼
27½	19¼	AcmeC	.40	2.1		29	15	d19½	19⅝	−⅛
13	8½	AcmeE	.32b	3.7	24	5	8⅝	8⅝	8⅝	−⅛
24⅞	11	AdmDg	.04	.3	7	25	12⅞	12⅛	12⅞	+½
18¼	15⅛	AdaEx	2.11e	14		130	15½	d15⅛	15⅛	−⅛
19¾	11½	AdmMl	.28	1.6	8	52	17½	17	17	−½
22	13½	AdvSys	.81t	5.4	15	102	15	15	15	
18½	8⅛	Advest	.12	1.4	11	53	8⅝	8¼	8⅝	+⅛
37½	24⅞	AMD			26	5917	32¾	29⅞	31½	+⅞
24⅝	9⅞	Aeflx			9	178	10	9⅞	10	
42¾	31⅞	AetnLf	2.64	8.5	10	5768	31¼	d30⅛	30⅞	−¼
59⅞	54⅞	AetL	pf5.29e	9.3		109	57	56¼	57	+⅛
35⅝	15⅛	Ahmns	1.20	7.3	5	436	16½	15⅞	16¼	−⅛
7⅛	3¼	Aileen				50	5⅜	5⅛	5⅜	+⅛
51	36½	AirPrd	1	2.5	13	422	40⅛	39⅞	39¾	−½
30⅞	16	AirbFrt	.60	3.0	11	255	20½	19⅝	19⅞	+¼
3⅜	1⅛	AlMoa				95	3⅛	3¼	3¼	
27⅛	22½	AlaP	pf2.15e	10		z500	21½	d21¼	21½	−⅛
32⅞	28¾	AlaP	pfA3.92	14		z37	28½	d29	29	−¼
7⅝	6½	AlaP	dpf.87	14		x53	6½	d6¼	6⅛	−⅛
99	90	AlaP	pf11	12		y2500	89½	d89¼	89½	+2½

Continued on Page 37

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

May. 30	Price Sch.	+ or −
Creditanstalt	210	−1
Goesser	330	..
Interunfall	407	..
Laenderbank	203	..
Perlmooser	360	−1
Steyr-Daimler	145	..
Veitscher Mag	216	+1

BELGIUM/LUXEMBOURG

May 30	Price Frs.	+ or −
ARBED	1,600	−5
Banq Int A Lux	5,000	..
Bekaert B	4,080	−20
Ciment CBR	3,420	−55
Cockerill	308	+4
Delhaize	4,800	−50
EBES	2,470	−5
Electrobel	7,050	−60
Fabrique Nat	1,950	−10
GB Inno BM	3,110	−10
GBL (Brux)	2,300	−40
Gevaert	3,220	
Hoboken	5,400	−50
Intercom	1,865	−15
Kredietbank	7,320	−20
Pan Hldgs.	9,550	−150
Petrofina	6,970	−120
Royale Belge	9,470	−20
Soc. Gen. Banq	3,060	−90
Soc. Gen. Belge	1,740	−30
Sofina	6,070	−50
Solvay	4,110	−40
Traction el	37,25	−95
UCB	4,660	−40
Vieille Mont	3,940	+20

DENMARK

May 30	Price Kr. %	+ or −
Aarhus Olie	380	..
Andelsbanken	224	−2
Baltic Skand	650	+15
CopHandelsbank	233	+1
D. Sukkerfab	600	
Danske Bank	226	+3
East Asiatic	171	−2
Forenede Brygg.	855	−105
Forenede Damp.	160	..
GNT Hldg.	490	..
I.S.S.B.	530	−10
Jyske Bank	530	..
Novo Ind	2,150	−50
Privatbanken	230	+6
Provinsbanken	306	−3
Smidth (F.)	215	..
Sophus Berend	1,020	−5
Superfos	445	−6

FRANCE

May 30	Price Frs.	+ or −
Emprunt 4½% 1973	1,854	−11
Emprunt 7% 1973	8,870	−34
CNE 3%	3,703	−22
Air Liquide	522	−5
BIC	403	−2
Bouygues	648	−3
BSN Gervais	2,540	+30
CIT-Alcatel	1,280	..
Carrefour	1,270	−5
Club Mediter'n	880	+11
CFAO	643	−4
Cie Bancaire	486	−1
Cofimeg	228.4	+2.4
Creusot Loire	27.1	
Darty	923	−5
Dumez S.A.	673	−12
Eaux (Cie Gen.)	535	+3
Elf-Aquitaine	263.5	+0.5
Cen. Occidentale	614	+3
Imetal	95.2	−0.4
Lafarge Coppee	350.1	−2.4
L'Oreal	2,390	−104
Legrand	1,889	−6
Maisons Phenix	223	+10
Matra S.A.	3,470	+4
Michelin B	785	+20
Midi (Cie)	1,662	+37
Moet-Hennessy	1,521	−9
Moulinex	97.8	−0.7
Nord Est	50.9	−1
Pernod Ricard	785	+12
Perrier	520	−15
Petroles Fra.	315	+15
Peugeot S.A.	230	..
Poclain	42	+4.5
Printemps Au.	167	+5
Radiotech	300.5	+3.5
Redoute	1,155	+14
Roussel-Uclaf	1,152	+30
Schneider S.A.	85	−0.8
Sefimeg	265	+2.5
Skis Rossignol	1,330	−45
Telemech Elect.	1,535	−1
Thompson (CSF)	310	+3
Valeo	253.1	−0.7

GERMANY

May 30	Price Dm.	+ or −
AEG-Telef	93.5	−1.8
Allianz Vers	720	−11
BASF	161	−2.5
Bayer	164.8	−3.8
Bayer-Hypo	287	−2
Bayer-Verein	315	−0.5
BHF-Bank	260	−5
BMW	377	−6
Brown Boveri	209	−1
Commerzbank	153	−9.3
Cont'l. Gummi	123	−2.4
Daimler-Benz	559	−9.5
Degussa	373	−5.5
D'sche Babcoc	153	−0.5
Deutsche Bank	341.5xd	−12.4
Dresdner Bank	154.5	−5
DHH	144	−4
Hochtief	529	−9
Hoechst	171	−3.3
Hoesch Werke	112.3	−3
Holzmann (P.)	418	−6
Horten	194	−1
Kali und Salz	196.5	−7.5
Karstadt	252	−6
Kaufhof	225.5	−6.7
KHD	243	−4
Kloeckner	59.1	−1.1
Krupp	77.5	−0.5
Linde	367	−6.5
Lufthansa	134	−3.5
MAN	145.1	−1.9
Mannesmann	140	−2.5
Mercedes Hld.	481	−11
Metallgesell.	230	−10
Muench Rueck	3,010	+5
Preussag	263	−3
Rhein West Elect	161	−1.3
Rosenthal	228	−3
Schering	330.5	−4.5
Siemens	380.5	−7.8
Thyssen	82.7	−1.6
Varta	174.5	−3.5
Veba	164.2	−3.4
V.E.W.	119.6	−0.4
Verein-West.	287	−3
Volkswagen	185.9	−3.6

ITALY

May 30	Price Lire	+ or −
Banca Com'le	33,390	+280
Bastogi-IRBS	121.6	−1.6
Centrale	2,440	+70
Credito Varesino	4,360	+40
Fiat	3,937	−6
Finsider	36	+0.4
Generali Assicur	34,750	−390
Invest	3,232	+7
Italcementi	45,500	+500
Montedison	218	+2.8
Olivetti	4,887	+26
Pirelli Co	2,575	−35
Pirelli Spa	1,440	+9
Snia BPD	1,515	+30
Toro Assic.	11,390	..
do. Pref.	8,660	−50

NETHERLANDS

May 30	Price Fls	+ or −
ACF Holding	278	−2
AEGON	116.8	−5.2
Ahold	175.5	−3
AKZO	86.5	−3.1
ABN	332	−7
AMEV	143	−1
AMRO	59.4	−0.6
Bredero Cert	177	−3
Bos Kalis Westm.	31.5	−0.7
Buehrmann-Tet.	65.7	−0.5
Calland Hldgs.	35.5	−0.5
Credit Lyon'is Bk	53.2	−0.2
Elsevier-NDU	75	−3.8
Gist. Brocades	133.5	−2.5
Heineken	123.3	−4.2
Hoogovens	48.9	−3.1
Hunter Douglas	24.9	−1.2
Int Mueller	36	−1
KLM	150.7	−4.2
Naarden	37	−1.5
Nat Ned Cert.	197	−29
Ned. Credit Bank	40	..
Ned Mid Bank	129.2	−1.8
Nedlloyd	111.5	−3.7
Oce Grinten	220	−3
Ommeren (Van)	26	−2
Pakhoed	60.8	..
Philips	43	−1.5
Rijn-Schelde	3.4	..
Robeco	60.5	−1
Rodamco	135.8	+0.1
Rolinco	57.5	−0.6
Rorento	198.5	−0.3
Royal Dutch	152	−4.7
Unilever	232.5	−5.7
VMF Stork	110	−4.2
VNU	143.7	−5.3
West Utr Bank	87.8	−1.7

NORWAY

May. 30	Price Kroner	+ or −
Bergen Bank	167.5	−1.5
Borregaard	283.5	−3
Christiania Bk.	171	−1
Den Norsk Credit	166	+2
Elkem	149	−1
Norsk Data	305	+5
Norsk Hydro	667.5	−1.5
Storebrand	222.5	−2.5

SPAIN

May. 30	Price Pta %	+ or −
Bco Bilbao	320	
Bco Central	320	
Bco Exterior	202	
Bco Hispano	222	−1
Bco Santander	303	+1
Bco Vizcaya	369	−1
Dragados	152	+3
Hidrola	50.5	+1
Iberduero	60	+0.5
Petroleos	11.5	+1.3
Telefonica	52.7	+0.2

SWEDEN

May 30	Price Kronor	+ or −
AGA	330	−7
Alfa-Laval	228	−2
ASEA (Free)	280	−15
Astra (Free)	415	..
Atlas Copco	115	+3
Boliden	588	−4
Cardo (Free)	380	..
Cellulosa	138	+1
Electrolux B	248	+2
Ericsson	297	−2
Esselte	280	−5
Mo Och Domsjo	362xa	−7
Pharmacia	241	+6
Saab-Scania	387	+22
Sandvik	400	
Skandia	355	+10
Skan Enskilda	325	−1
SKF	184	−6
St. Kopparbergs	660	−5
Sven Handelsbn.	185	+1
Swedish Match	220	−2
Volvo B (Free)	485	+25

SWITZERLAND

May 30	Price Frs.	+ or −
Alusuisse	780	..
Bank Leu	3,825	−25
Brown Boveri	1,295	+5
Ciba Geigy	2,200	−10
do. (Part Certs)	1,690	−10
Credit Suisse	2,190	−25
Elektrowatt	2,450	−60
Fischer (Geo.)	604	+3
Genevoise	3,600	−75
Hoff-Roche PtCts	99,250	1,000
Hoff-Roche 1/10	9,975	−50
Jacobs Suchard	6,350	−150
Jelmoli	1,800	−5
Landis & Gyr	1,320	−25
Nestle	4,940	−80
Oer-Buehrle	1,200	−5
Pirelli	247	..
Sandoz (Br)	6,550	−100
Sandoz (PtCts)	960	−10
Schindler (PtCts)	535	−15
Swissair	946	−4
Swiss Bank	335	−3
Swiss Reinsce.	7,900	..
Swiss Volksbk.	1,380	..
Union Bank	3,360	−45
Winterthur	2,940	−20
Zurich Ins.	17,050	−10

AUSTRALIA

May 30	Price Aust. $	+ or −
ANZ Group	5.24	−0.12
Acrow Aust.	1.6	..
Alliance Oil D.	0.58	−0.02
Ampol Pet	1.68	−0.07
Aust Cons Ind	1.68	−0.01
Aust. Guarant	2.5	..
Aust. Nat. Inds.	2.48	..
Aust. Paper	1.85	−0.01
Bell Group	4.4	−0.05
Bond Corp Hldgs	1.2	..
Boral	3.12	−0.05
B'ville Copper	2.12	−0.03
Brambles Inds	2.5	−0.08
Bridge Oil	2.4	..
BHP	8.8 xd	−0.1
CRA	4.94	−0.06
CSR	3.03	−0.07
Carlton Utd	4.2	+0.05
Castlemaine Tys.	4.5	+0.1
Coles (G.J.)	3.4	−0.05
Comalco "A"	2.35	−0.05
Consolidated Pet	0.48	−0.05
Costain Aust.	1.2	−0.1
Dunlop Aust.	1.55	−0.03
E.Z. Inds.	4.3	−0.1
Elders IXL	3.65	−0.06
Energy Res	1.37	+0.02

AUSTRALIA (continued)

May. 30	Price Aust. $	+ or −
Gen Prop Trust	1.99	−0.02
Hardie (J.)	3.07	−0.02
Hartogen Energy	2.45	
Herald W'y Times	3.12	−0.12
ICI Aust.	1.85	
Jimb'lana 50cFP	0.24	−0.02
Kia Ora Gold	0.15	−0.01
Lend Lease	4.55	−0.05
MIM	2.82	−0.4
Mayne Nickless	2.18	−0.02
Meekatharra	0.51	−0.01
Myer Emp.	1.69	
Nat. Com. Bk.	4.19	−0.01
News	8.5	−0.2
Nicholas Kiwi	2.5	−0.06
North Bkn Hill	3.25	−0.05
Oakbridge	0.88	..
Otter Expl.	0.55	−0.03
Pancont'l	1.17	−0.01
Pioneer Conc	1.35	−0.08
Queensland Coal	1.0	
Reckitt & Coln	2.6	
Repco	1.1	−0.01
Santos	5.58	−0.02
Smith (H.)	3.4	−0.1
Southland Min'g.	0.34	−0.02
Spargos Expl	0.33	
Thos. Natwide	1.62	−0.02
Tooth	5.5	
Vamgas	1.7	−0.1
Western Mining	3.25	−0.06
Westpac	3.66	−0.02
Woodside Petrol.	1.02	−0.04
Woolworths	2.2	−0.07
Wormald Intl.	2.9	

HONG KONG

May. 30	Price H.K. $	+ or −
Bank East Asia	20.8	
Cheung Kong	8.35	+0.1
China Light	11.4	+0.1
Hang Lung Devel	2.25	
Hang Seng Bank	34.25	−0.25
HK Electric	5.4	−0.05
HK Kowloon Wh.	3.62	−0.02
HK Land	3	
HK Shanghai Bk.	6.25	−0.05
HK Telephone	41	
Hutchison Wpa	11.4xa	
Jardine Math	9.1	−0.4
New World Dev	3.05	+0.05
Orient O'seas	2.4	..
O'seas Trust Bk.	2.87	+0.07
SHK Props	6.3	..
Swire Pac A	16.3	−0.1
Wheel'k Mard A.	3.17	..
Wheel'k M'time	1.9	..
World Int. Hldgs.	1.92	−0.05

JAPAN

May. 30	Price Yen	+ or −
Ajinomoto	1,130	−10
Alps Electric	2,130	−40
Amada	1,140	−20
Asahi Chem	568	−10
Asahi Glass	702	−1
Bridgestone	560	−5
Canon	1,200	+10
Casio Comp.	1,250	+10
Chugai Pharm	1,010	−20
Citizen	501	−1
Daiei	674	−1
Dai Nippon Ptg	920	..
Daiwa House	450	−6
Ebara	316	..
Eisai	1,030	−10
Fanuc	8,360	−140
Fuji Bank	889	−1
Fuji Film	1,570	−60
Fujisawa	829	−10
Fujitsu	1,190	
Green Cross	1,700	
Hasegawa	375	−2
Heiwa Real Est.	570	−5
Hitachi	847	−1
Hitachi Credit	1,560	−60
Honda	1,110	−30
House Food	752	+1
Hoya	1,860	−50
Itoh (C.)	304	+3
Ito Yokado	1,800	−10
Iwatsu	1,590	−50
JACCS	345	−1
JAL	3,480	+60
Jusco	814	−5
Kajima	290	..
Kao Soap	725	..
Kashiyama	619	+3
Kirin	561	+5
Kokuyo	1,010	..
Komatsu	470	−2
Konishiroku	599	−3
Kubota	310	+2
Kumagai	440	−5
Kyoto Ceramic	5,790	−130
Maeda Const.	490	−4
Makino Milling	1,240	−30
Makita	970	−11
Marubeni	384	−5
Marudai	611	+5
Marui	1,340	−30
MEI	1,720	−50
M'ta Elec Works	885	..
M'bishi Bank	900	+1
M'bishi Corp.	620	..
M'bishi Elec	395	+3
M'bishi Estate	479	−2

JAPAN (continued)

May 30	Price Yen	+ or −
MHI	235	−1
Mitsui Co	342	−3
Mitsui Estate	629	−6
Mitsukoshi	381	−2
NGK Insulators	724	
Nihon Cement	220	−2
Nippon Denso	1,420	−20
Nippon Elect	1,190	−10
Nippon Express	300	5
Nippon Gakki	503	
Nippon Kokan	144	
Nippon Oil	1,060	
Nippon Seiko	542	−2
Nippon Shimpan	457	12
Nippon Steel	150	1
Nippon Suisan	112	1
NTV	12,000	+900
Nippon Yusen	235	1
Nissan Motor	625	
Nisshin Flour	459	+7
Nisshin Steel	200	
Nomura	712	−14
Olympus	977	−12
Omron Tateisi	1,710	
Orient Leasing	5,190	−100
Pioneer	2,660	30
Renown	646	−2
Ricoh	906	
Sankyo	781	9
Sanyo Elect.	487	1
Sapporo	410	5
Sekisui Prefab	555	−6
Seven Eleven	8,420	−140
Sharp	1,060	−10
Shimadzu	530	9
Shionogi	668	2
Shiseido	1,050	10
Sony	3,320	−30
Stanley	676	−10
S'tmo Bank	960	−21
S'tomo Elect	642	−3
S'tomo Marine	402	−6
S'tomo Metal	169	−2
Taihei Dengyo	490	..
Taisei Corp	211	
Taisho Pharm.	914	−2
Takeda	700	−4
TDK	5,100	220
Teijin	375	−5
Teikoku Oil	720	−1
Tokyo Marine	560	
TBS	765	−6
Tokyo Elect Pwr.	1,120	
Tokyo Gas	154	
Tokyo Sanyo	704	−4
Tokyo Style	745	
Tokyu Corp	294	−3
Toppan Print	750	−4
Toray	415	−2
Toshiba Elect.	398	−6
TOTO	579	+9
Toyo Seikan	721	−1
Toyota Motor	1,330	−10
Victor	2,350	−70
Wacoal	770	..
Yamaha	525	−1
Yamanouchi	1,360	−50
Yamazaki	672	−1
Yasuda Fire	288	−1
Yokogawa Bdge.	407	−1

SINGAPORE

May. 30	Price $	+ or −
Boustead Hldgs.	2.43	
Cold Storage	3.32	−0.02
DBS	9.0	−0.15
Fraser & Neave	5.8	+0.05
Genting	5.2	−0.05
Haw Par. Bros	2.3	−0.01
Inchcape Bhd.	2.68	−0.02
Keppel Shipyard	2.14xe	−0.01
Malay Banking	9	
Malay Brew.	6.55	−0.05
Multi Purpose	1.94	
OCBC	10.3	−0.2
OUB	4.42	−0.04
Sime Darby	2.27	
Straits S'mship.	1.51	
Straits Trdg.	5.6	
UOB	5.0	−0.02

SOUTH AFRICA

May. 30	Price Rand	+ or −
Abercom	2.0	..
AE & CI	9.3	−0.1
Anglo Am Coal	31.0	−0.5
Anglo Am Corp	22.5	+0.2
Anglo Am Gold	150	−0.25
Barclays Bank	19.	−0.25
Barlow Rand	14.15	−0.05
Buffels	82	−1.25
CNA Gallo	2.9	..
Currie Finance	4.8	−0.3
De Beers	9.25	..
Driefontein	48.75	−0.75
FS Geduld	51.25	−1
Gold Fields S.A.	29.5	−0.25
Highveld Steel	5.4	..
Nedbank	15.5	..
OK Bazaars	18.0	..
Protea Hldgs	2.7	..
Rembrandt	28.0	..
Rennies	15.5	..
Rust. Plat.	14.75	+0.25
Sage Hldgs	8.5	..
SA Brews	7.65	+0.05
Smith (C.G.)	23.5	..
Tongaat Huletts	11.8	..
Unisec	5.65	..

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
Prices at 2.30 pm May 30

[illegible]

MONTREAL
Closing prices May 30

[illegible]

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

[illegible]

Continued from Page 38

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Booker McConl.	165	+36
Initial	493	+89

FALLS

9% Cnv 89 £50pd	£45⅞	−¾
Exch. 15pc 1997	£120¼	−¾
A. B. Electronic	450	−35
Barclays Bank	445	−18
CPU Computers	160	−28
Courtaulds	126	−6
Dee Corp.	458	−24
Granada A	163	−13
GKN	164	−12
Harris Queens	338	−30
ICI	534	−10
Laporte Inds.	428	−19
Logica	300	−55
MEPC	262	−9
Mercantile Hse	279	−19
Phoenix Ass.	416	−14
Pittard	70	−7
Polly Peck	220	−28
Reed Intnl.	384	−26
Smith Bros.	93	−8
Tate & Lyle	359	−7
Unilever	840	−35
Wearwell	115	−11
BP	492	−21
Britoil	243	−12
Royal Dutch	£35⅛	−1⅛
Shell Transp.	663	−20
RTZ	600	−10

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 37

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Indices

STANDARD AND POORS

	May 29	May 25	May 24	May 23	May 22	1984 High	1984 Low	Since Compt'n High	Since Compt'n Low
Industr'ls	176.78	172.12	171.67	173.88	174.85	190.64 (6/1)	171.87 (24/5)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'site	150.29	151.62	151.25	153.15	153.88	169.28 (6/1)	151.23 (24/5)	172.15 (10/10/83)	4.40 (1/6/32)

	May 24	May 16	May 9	year ago (approx)
Industr'al div. yield %	4.23	4.10	3.99	3.92
Industrial P/E ratio	11.70	12.16	12.28	14.10
Long Gov. Bond yield	13.40	13.33	13.11	10.68

NEW YORK—DOW JONES

	May 29	May 25	May 24	May 23	May 22	1984 High	1984 Low	Since Compil'n High	Since Compil'n Low
♦Industr'ls	1101.24	1107.10	1103.43	1113.89	1116.82	1286.64 (6/1)	1103.43 (24/5)	1287.2 (29/11/83)	41.22 (2/7/32)
H'me Bnds	65.54	64.81	64.91	66.35	66.24	71.76 (6/1)	64.81 (24/5)	—	—
Transport	457.82	462.76	461.32	468.11	470.68	612.63 (9/1)	461.32 (24/5)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	123.54	123.55	123.55	124.71	125.10	134.88 (6/1)	123.55 (24/5)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	89,060	78,190	85,040	90,510	88,030	—	—	—	—

♦Day's high 1113.80 (1114.32) low 1093.80 (1096.84)

	May 18	May 11	May 4	year ago (approx)
Industrial div. yield%	4.94	4.78	4.75	4.59

N.Y.S.E. ALL COMMON

May 29	May 25	May 24	May 23	1984 High	1984 Low
86.45	87.12	86.95	88.09	99.63 (10/1)	86.92 (24/5)

Rises and Falls

	May 29	May 25	May 24
Issues Traded	1,949	1,978	1,969
Rises	496	755	307
Falls	1018	787	1,327
Unchanged	435	436	335
New Highs			7
New Lows			249

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LONDON STOCK EXCHANGE

MARKET REPORT

Fresh wave of selling erodes confidence in equity markets—index drops 22.8 to 803.4

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
May 14	May 31	June 1	June 11
June 4	June 14	June 15	June 25
June 18	June 28	June 29	July 9

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equitres sustained yet another sharp setback yesterday. A wave of institutional selling and persistent small offerings proved to be far too much for a market still tender after an almost continuous stream of gloomy economic indicators.

Measuring the extent of the fresh setback in blue chips, the Financial Times Industrial Ordinary share Index plunged 22.8 to close at 803.4 making a decline of 119.4, or nearly 13 per cent, from its all-time peak attained just over three weeks ago.

The record £838m April trade deficit, which gave cause for concern about the impact of the miners' strike and the Gulf war on the UK economy, coupled with the overnight fall on Wall Street to a 15-month low provided the background to yesterday's shake-out.

Investment confidence had by no means recovered from last week's bout of nervousness which was prompted by American banking fears and dealers were quick to mark share quotations down smartly in the absence of support. Apart from the equity leaders, falls of 20 and sometimes more were commonplace throughout the industrial sectors. Clearing Banks recorded falls extended to 18 as sentiment here became increasingly concerned about Latin American debt problems.

Lower early indications from Wall Street set the final seal on the day and there were few signs of any worthwhile recovery at the London close.

Government securities passed a relatively quiet day, but the overnight reaction in U.S. bonds and the poor UK April trade figures ensured a dull session. Quotations opened lower before staging a small rally and drifting back again as sentiment became clouded by the shake-out in equities. Falls in the longs extended to ¾, while losses in the shorts ranged to 5/16, the £50-paid Treasury 9½ per cent Convertible 1989 closing that amount down at 45½.

Clearers retreat

Recurring worries over the stability of the U.S. banking system and the announcement that *Bolivia has temporarily suspended* foreign debt payments halted the recent rally of the major clearers. Quotations opened easier yesterday and continued to wilt on persistent selling to close at the day's lowest levels. **Barclays** fell 18 to 445p. **Midland**, 318p, and **NatWest**, 575p, dropped 17 respectively. **Lloyds** relinquished 12 to 515p and **Bank of Scotland** gave up 18 to 305p. Merchant banks bore the brunt of some fairly heavy selling and fresh falls of 20 were seen in **Kleinwort Benson**, 370p, and **Mercury Securities**, 485p. *Brown Shipley shed 15 to 340p* and **Hill Samuel** dipped 8 at 247p. **Charterhouse J. Rothschild** declined 6 more to 82p on further consideration of the revelation that the group would not now be merging with **Hambro Life**; the latter at 365p, gave up half of the previous day's gain of 16.

First-quarter profits from **Phoenix** showing a 57 per cent contraction left the shares 14 lower at 416p. Other Composites followed the general trend with **Commercial Union** 8 down at 189p and **Sun Alliance** 10 easier at 335p. Casualties among Life issues included *Legal and General*, 17 off at 423p, and **Pearl**, 23 lower at 722p.

Breweries displayed moderate falls as market sentiment again outweighed recent impressive trading statements. **Allied-Lyons** closed 6 lower at 156p despite favourable comment in the wake of the 22 per cent increase in full-year profits, while **Bass**, which revealed much better-than-expected figures last week, gave up 9 to 373p. **Arthur Guinness**, 136p, **Scottish and Newcastle**, 114p, and **Whitbread**, 156p, all eased around 4.

Leading Buildings were marked defensively lower in the face of persistent small selling and the virtual absence of buyers. Double-figure falls were commonplace with losses of 10 sustained by **Blue Circle**, 410p, **RMC**, 402p, and **Tarmac**, 440p. **Redland** fell 6 to a low for the year of 253p, while **BPB Industries** gave up 10 to 280p. Contracting and Construction issues fared little better. **AMEC** shed 6 to 199p awaiting news from the annual general meeting, while *John Laing lost 8 to 176p*. **Barratt Developments** fell 4 afresh to a 1984 low of 90p and **George Wimpey** eased 2 to 118p. **William Leech**, the subject of an unwelcome 123p per share cash offer from C. H. Beazer, came back 10 to 145p.

Stores depressed

ICI closed 10 down at the day's lowest of 534p, while **Laporte** came on offer and fell 19 to 428p. **Allied Colloids** lost 9 to 293p and **Brent** gave up 5 to 99p. **Coalite** eased 2 to 165p despite a 19 per cent increase in annual profits.

Leading Retailers followed the market shake-out and finished at the day's lowest with double-figure losses commonplace. **Gussies A** were again hardest-hit and closed 24 lower at 541p, while **Burton** shed 10 to 260p. **Woolworth** gave up 12 at 453p; Charterhouse J. Rothschild sold 2.5m shares to various institutions at just over 446p per share yesterday. **Debenhams**, 160p, and **Marks and Spencer**, 233p, fell 8 and 7 respectively.

Second-line Stores behaved similarly, although falls often betrayed actual business levels. **Harris Queensway** slumped 30 at 338p. Recent speculative favourites failed to escape and losses of 10 were noted for **Alfred Preedy**, 103p, and **Waring and Gillow**, 125p. Mail-orders also went lower with **Grattan**, 92p, and **Freemans**, 102p, both easing 6. Newsagents showed **John Menzies** 15 lower at 458p, while **NSS** finished 8 off at 76p.

Buyers retreated from Footwear issues and losses of 10 were common to **Stylo**, 190p, and **Lambert Howarth**, 213p, while **Pittard** dipped 7 to 70p.

Falls among some secondary Electricals were among the heaviest on the trading floor. Computer stocks, still reeling from reports that the U.S. home computer market has deteriorated alarmingly, gave ground once more with falls ranging between 20 and 30 seen in **Applied Computer**, 570p, **CPS**, 110p, **CPU**, 160p, **CASE**, 670p, and **System Designers**, 800p. **Micro Business Systems** dropped 35 to 400p and **Logica** plummeted 55 to 300p. Elsewhere, **Crystalate** fell 24 to 228p and **Dubilier** relinquished 16 at 140p. The dull leaders had **GEC** a further 4 easier at 162p on worries that the group might bid for **British Aerospace**; the latter lost 13 on profit-taking to 323p. Meanwhile, **Thorn EMI**, currently engaged in merger discussions with BAe, dipped 14 more to 543p. **Plessey** cheapened 6 to 204p as did **BICC** to 222p.

The leaders suffered the heaviest falls in Engineerings. **GKN** led the retreat with a decline of 12 at 164p, while **Hawker** lost 10 to 417p and **TI** fell 8 to 216p. **Vickers** receded 6 at 138p. Elsewhere, **Whessoe** gave up 6 to 68p and **Birmid Qualcast** relinquished 4 at 80p.

The Food sector provided one of the day's isolated bright features in takeover favourite **Booker McConnell**. Already 18 higher on strong bid speculation, the shares soared to 171p prior to closing a net 36 up at 165p on the after hours' announcement of a share-exchange offer from food retailing concern **Dee Corporation**. Dee closed 24 down at 458p.

Among other Foods, disappointment with the interim results, which included a special £10.4m provision to cover possible losses in a sugar trading contract to Indonesia, left **Tate and Lyle** 7 lower at 358p, after a low for the year of 352p. **S. & W. Berisford** gave up 7 to 172p, after 170p, while **Rowntree Mackintosh** fell 10 to 256p.

In a dull Hotels and Caterers sector, **Ladbroke** encountered persistent selling and shed 8 to 214p. **Grand Metropolitan**, up 4 on Tuesday prior to news of the sale of its U.S. tobacco interests, came back 6 to 318p. **Trusthouse Forte** eased 4 to 109p.

Initial jump on bid

Amid the gloom in miscellaneous industrials, **Initial** emerged as an outstanding firm feature, soaring 89 to 493, after 509p, in response to the surprise cash and share-exchange bid terms from **BET**, already the owner of a 40.6 per cent stake in Initial; **BET** touched 265p before closing unchanged at the overnight level of 250p following details of the Initial bid and disposal of its Rediffusion television rental business to **Granada**, 11 lower at 163p. Meanwhile, **Johnson Group Cleaners** rose 6 to 346p and **Advance Services** gained 4 to 78p on hopes of further take-over developments within the dry-cleaning sector. **Dunhill** advanced 10 to 645p, after 650p, on the bumper annual profits and proposed 400 per cent scrip issue.

Depressed blue chips featured **Reed International**, 26 down at 384p, following comment on the Mirror Group profits prospects. **Unilever** ran back 35 to 840p and **BTR** gave up 12 to 446p. Elsewhere, Mr Asil Nadir's quoted companies all gave ground sharply led by parent concern **Polly Peck**, which dropped 28 to 220p; **Cornell** fell 20 to 218p and **Wearwell** dipped 11 to 115p. **Halma** lost 21 to 136p and **Extel** relinquished 15 to 580p.

Half-year profits in line with market estimates failed to support **MEPC** which succumbed to the general malaise and closed a net 9 down at 262p. Other leading Properties were also dull, but falls were relatively modest. **Land Securities** lost 5 to 255p and **Haslemere Estates** shed 6 to 472p, while **Stock Conversion** cheapened 5 to 315p. Certain secondary issues proved sensitive to selling with **Daejan** 13 down at 200p and **Rush and Tompkins** 10 lower at 240p. **Mountleigh** gave up 15 to 220p, while **Fairview Estates** fell 7 to 125p. USM-quoted **Hardanger Properties** softened 2 to 146p despite the good interim profits and chairman's optimistic statement.

The generally favourable response to the annual results failed to inspire fresh confidence for **Courtaulds** which gave up 6 to record a two-day loss of 11 at 126p. **Nottingham Manufacturing** declined 16 to 218p, while **Dawson International** shed 5 to 201p, the latter following a bearish review from brokers De Zoete and Bevan.

Smith Bros, down 8 at 95p, succumbed to the widespread malaise despite announcing record full-year profits and a doubled final dividend. Fellow stockjobbers **Ackroyd and Smithers** gave up 15 to 475p. Elsewhere in Financials, **Exco**, which announced the purchase of stock brokers Galloway and Pearson on Tuesday, fell 15 to 413p, while **Mercantile House** dropped 19 to a 1984 low of 279p.

Oils retreat

The oil majors came under heavy selling presure and remained on the retreat throughout the session apart from a short-lived rally around midday.

BP were finally a net 21 lower at 482p while **Shell** dropped a similar amount to 663p; the latter were additionally depressed by the marked weakness in Royal Dutch which gave up £1¼ to £35½ amid vague rumours that a Dutch banking group is experiencing financial difficulties.

LASMO settled 14 lower on balance at 288p. **Ultramar** gave up 12 at a year's low of 584p and **Britoil** lost a like amount to 233p.

Among secondary issues **Saxon Oil** fell away to close 17 easier at 328p and **Sovereign Oil** dipped 9 to 270p.

Irish stocks provided a lone firm spot in **Atlantic Resources** which continued to attract buying interest following the recent meeting with analysts and edged up a further 2 to 76p, after 78p. **Bryson**, however, gave up 25 to 600p.

Overseas oils were equally depressed but *Canada's Double Eagle* reflected speculative interest and moved up 5 to 55p.

Despite a relatively encouraging Press response to the preliminary figures, **Inchcape** reacted afresh to persistent selling and dipped 22 for a two-day decline of 35 at 320p. In contrast, **Harrisons and Crosfield** bucked the general trend following better-than-anticipated full-year profits and a proposed 100 per cent scrip issue and touched 787p before reverting to unchanged at 750p.

Mining markets were by no means immune to the buffeting sustained by equity markets.

South African Golds were marked down at the outset, reflecting disappointment with the trend in precious metals in New York overnight which saw bullion decline to around $383.75 initial dealings in London. However, a gradual recovery by the latter prompted a mild rally in shares prices although this tended to peter out in after-hours trading following the emergence of light selling from the U.S.

The Gold Mines index showed an 8.3 fall to 672.2 while the bullion price was finally a net 25 cents easier at $385.5.

In the top quality issues **Western Deep**, £1¾ off at £45½ and **President Steyn**, £1½ easier at £39½, were notable weak spots but the majority were generally around a half-point to ¾ lower. **Vaal Reefs** moved against the overall trend and ended the day a fraction firmer at £92½.

Financials drifted back in line with Golds, with **De Beers** 7 lower at 517p. London-registered stocks were similarly subdued and reflected the weaker trend in base-metal prices, especially copper. **Rio Tinto-Zinc** closed 10 down at 600p. **Hampton Areas** 7 easier at 210p and **Charter Consolidated** 3 off at 217p, after 215p. **Consolidated Gold Fields** fell away to 563p but rallied to close only a fraction easier at 569p.

East Rand Consolidated remained a firm market on further consideration of the proposed exploration of the company's mineral rights in the Transvaal and hardened a penny to a year's high of 34p.

There was no respite for the recently weak Australian sector. Many of the leading diversified *issues fell to their lowest levels* this year, including **MIM Holdings**, which dropped 10 to 183p, **Peko-Wallsend**, 6 down at 284p and **Western Mining** which eased 2 to 212p. Even the recently-resilient Gold share sector came under pressure. **Central Norseman** fell 10 to 368p and **Poseidon** 5 to 273p.

Operators' enthusiasm returned for Traded Options and in a lively evenly-balanced business, total contracts struck amounted to 6,317—3,607 calls and 2,710 puts. The FTSE 100 index contributed 677 calls and 703 puts. Understandably, notable premium changes were restricted to put positions. GKN June 180's advanced 10 to 17p, while among Oils, **BP** July 500 puts rose 9 to 23p, and **Shell** July 700 puts 13 to 43p.

FINANCIAL TIMES STOCK INDICES

	May 30	May 29	May 25	May 24	May 23	May 22	year ago
Government Secs ...	77.86	78.20	78.15	78.11	79.27	78.30	82.17
Fixed Interest	89.39	89.62	82.56	83.22	84.02	84.19	83.96
Industrial Ord.	803.4	826.2	827.8	826.4	847.6	856.3	704.6
Gold Mines	672.2	680.5	662.5	635.7	642.8	666.2	500.7
Ord. Div. Yield	4.86	4.72	4.71	4.72	4.60	4.56	4.58
Earnings, Yld.% (full)	11.37	11.03	10.95	10.95	10.71	10.61	9.09
P/E Ratio (net) (*) ...	10.57	10.90	10.99	11.00	11.20	11.52	15.61
Total bargains (Est.)	22,420	17,802	21,867	21,681	21,686	21,454	19,691
Equity turnover £m.	—	201.95	310.04	316.69	358.51	289.57	174.66
Equity bargains	—	16,114	19,202	18,036	18,409	18,868	17,176
Shares traded (mil) ..	—	105.2	152.7	179.6	200.4	158.7	106.7

10 am 822.6. 11 am 814.9. Noon 805.2. 1 pm 805.8. 2 pm 806.1. 3 pm 805.0.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.11.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	91.77 (9/1)	77.86 (30/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	97.48 (14/5)	82.59 (30/5)	155.4 (28/11/47)	50.05 (3/1/75)
Ind. Ord.	922.8 (3/5)	770.3 (4/1)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	520.3 (17/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	May 29	May 25
—Daily		
Gilt Edged Bargains ...	155.5	180.1
Equities Bargains ...	104.4	124.4
Value ...	408.2	626.7
—5-day Average		
Gilt Edged Bargains ...	157.5	156.6
Equities Bargains ...	117.4	120.6
Value ...	506.5	600.0

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Weds May 30 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tues May 29 Index No.	Fri May 25 Index No.	Thurs May 24 Index No.	Weds May 23 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (203)	471.30	−2.5	10.18	4.08	12.41	483.63	485.75	486.28	495.23	481.44
2	Building Materials (24)	460.87	−2.3	12.59	4.93	9.88	471.60	473.58	477.12	483.22	429.63
3	Contracting, Construction (32)	657.80	−2.0	14.60	5.73	8.75	671.49	675.46	683.32	698.91	757.38
4	Electricals (14)	1524.03	−3.1	8.78	4.79	14.37	1572.31	1567.62	1588.81	1604.60	1896.61
5	Electronics (28)	1597.80	−2.7	9.12	2.43	14.06	1641.94	1652.68	1634.99	1672.59	0.0
6	Mechanical Engineering (62)	236.15	−2.4	11.76	5.10	10.49	242.00	241.68	243.88	247.10	213.10
8	*Metals and Metal Forming (9)*	175.24	−3.6	12.14	7.20	10.50	181.85	182.33	183.55	185.67	176.34
9	Motors (17)	127.15	−2.6	6.21	4.78	—	130.51	130.11	131.31	134.09	105.63
10	Other Industrial Materials (17)	635.67	−2.3	6.96	3.78	17.99	650.40	656.26	659.53	672.42	457.82
21	CONSUMER GROUP (194)	484.61	−2.7	11.05	4.48	11.09	498.24	497.97	500.18	508.11	425.61
22	Brewers and Distillers (23)	505.19	−2.4	12.61	4.96	9.78	517.53	513.28	512.51	519.84	456.15
25	Food Manufacturing (22)	365.48	−2.3	15.07	5.94	8.12	374.05	374.54	380.04	382.79	325.31
26	Food Retailing (12)	1112.90	−2.4	7.72	2.77	16.91	1140.55	1143.01	1158.77	1170.94	863.32
27	Health and Household Products (9)	760.75	−1.2	6.37	3.08	18.59	770.03	769.76	773.39	782.38	832.58
29	Leisure (23)	600.97	−3.4	9.83	4.77	13.11	622.23	622.75	624.06	637.15	540.21
32	Newspapers, Publishing (13)	1264.90	−2.8	7.86	4.27	15.57	1300.89	1299.84	1307.87	1323.79	823.37
33	Packaging and Paper (15)	229.46	−4.4	11.68	4.59	10.04	239.91	241.84	244.01	248.73	164.49
34	Stores (46)	433.97	−3.4	9.12	4.01	14.35	449.20	449.22	450.11	459.09	382.20
35	Textiles (20)	267.37	−3.2	11.83	4.89	9.77	276.23	281.63	285.71	290.82	200.78
36	Tobaccos (3)	559.77	−3.7	19.77	6.44	5.71	581.25	577.37	572.52	588.59	402.41
39	Other Consumer (8)	453.17	−1.1	12.06	4.49	—	458.39	458.33	462.57	466.50	387.30
41	OTHER GROUPS (87)	418.52	−1.6	10.46	4.66	11.78	425.46	427.97	431.12	440.68	348.54
42	Chemicals (18)	547.22	−2.2	13.51	5.39	9.17	559.64	562.24	564.65	578.75	479.71
44	Office Equipment (4)	116.31	−3.4	8.23	6.21	16.03	120.46	120.87	121.30	121.77	99.64
45	Shipping and Transport (14)	827.10	−2.3	9.34	5.24	14.20	846.28	849.85	858.82	861.34	710.39
46	Miscellaneous (51)	586.49	−0.9	8.58	3.86	13.98	591.78	596.17	601.75	617.16	464.54
49	INDUSTRIAL GROUP (484)	475.11	−2.5	10.68	4.35	11.59	487.30	488.30	490.18	498.83	435.30
51	Oils (16)	1093.79	−3.6	13.36	6.17	9.27	1134.09	1134.11	1118.50	1146.57	891.07
59	500 SHARE INDEX	527.83	−2.7	11.15	4.68	11.10	541.59	542.51	542.89	553.19	473.36
61	FINANCIAL GROUP (120)	347.92	−2.6	—	6.12	—	357.11	356.57	360.92	368.38	318.98
62	Banks (6)	340.18	−3.7	26.90	8.34	4.37	353.07	350.84	354.29	365.88	353.03
63	Discount Houses (7)	420.18	−3.3	—	7.26	—	434.33	436.48	446.95	455.11	299.94
65	Insurance (Life) (9)	447.71	−2.3	—	5.95	—	458.04	454.61	458.59	467.98	406.68
66	Insurance (Composite) (9)	254.32	−2.2	—	7.00	—	259.92	259.75	260.63	267.05	207.78
67	Insurance (Brokers) (6)	710.99	−1.5	10.23	4.74	13.62	721.56	728.13	730.06	736.08	553.85
68	Merchant Banks (12)	198.21	−3.9	—	4.97	—	206.29	210.48	219.26	223.68	166.87
69	Property (53)	529.52	−1.7	5.81	3.92	23.12	538.70	537.33	544.99	553.17	472.48
70	Other Financial (18)	227.71	−3.0	12.50	6.03	9.67	234.86	234.76	239.55	240.53	241.34
71	Investment Trusts (106)	466.40	−1.3	—	3.98	—	472.33	472.11	479.79	483.89	411.89
81	Mining Finance (4)	294.24	−1.2	9.47	5.09	13.49	297.78	296.11	285.96	291.62	278.61
91	Overseas Traders (16)	532.53	−2.5	8.62	6.99	15.31	546.05	543.92	545.76	551.93	436.93
99	ALL-SHARE INDEX (746)	482.21	−2.6	—	4.89	—	494.87	495.29	496.61	505.80	434.00
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE 100 SHARE INDEX	1026.6	−29.5	1052.3	1026.2	—	1056.1	1055.5	1051.6	1075.4	0.0

FIXED INTEREST

	PRICE INDICES	Weds May 30	Day's change %	Tues May 29	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	114.81	−0.15	114.98	—	5.01
2	5–15 years	124.53	−0.44	125.07	—	4.92
3	Over 15 years	132.34	−0.50	133.00	—	4.82
4	Irredeemables	140.62	−0.68	141.58	—	6.07
5	All stocks	124.00	−0.36	124.45	—	4.97
6	Debentures & Loans	103.47	−0.18	103.66	—	4.47
7	Preference	76.53	−0.06	76.57	—	2.84

	AVERAGE GROSS REDEMPTION YIELDS		Weds May 30	Tues May 29	Year ago (approx.)
	British Government				
1	Low	5 years	11.33	11.24	9.46
2	Coupons	15 years	11.16	11.08	9.96
3		25 years	10.56	10.50	9.69
4	Medium	5 years	12.20	12.09	11.22
5	Coupons	15 years	11.58	11.50	10.73
6		25 years	10.83	10.76	10.12
7	High	5 years	12.28	12.18	11.32
8	Coupons	15 years	11.75	11.68	10.94
9		25 years	10.92	10.86	10.26
10	Irredeemables †		10.44	10.37	9.72
11	Debs &	5 years	12.55	12.51	11.97
12	Loans	15 years	12.20	12.18	12.05
13		25 years	12.01	12.00	12.07
14	Preference †		12.93	12.92	12.17

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$375	176	25	11	34	—	—	$387.20
GOLD C	$400	84	9.50	22	20.50	19	28	"
GOLD C	$425	138	3.70	17	8.60	—	—	"
GOLD P	$375	2	4	12	6	—	—	"
GOLD P	$400	11	19.80	—	—	—	—	"

[illegible]

TOTAL VOLUME IN CONTRACTS 22,137

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters (or fully-paid). ‖‖ Introduction. ☆ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	100	4
Corpns, Dom. and Foreign Bonds	4	43	35
Industrials	46	834	525
Fin. and Props.	12	307	200
Oils	9	60	50
Plantations	—	10	9
Mines	11	90	72
Others	30	106	89
Totals	112	1,550	984

OPTIONS

Active conditions prevailed in Options with calls transacted in Barratt Developments, Britannia Arrow, Sears, Security Centres, PetroGen, Cosalt, Microvitec, Polly Peck, Bula, James Neill, Metal Box, Phicom, Balmoral, Barker and Dobson, Smith St. Aubyn, Boddingtons Breweries, Diamond Stylus, Mnemos, Reardon Smith A, Regentcrest, Brunswick Oil, Brengreen, Goal Petroleum, Sumrie Clothes, Phoenix Properties and Finance, Wearwell, Royal Bank of Scotland, BSR, Southend Stadium, Pleasurama, Benjamin Priest, UKO, Jonas Woodhead and Audiotronic. Puts were taken out in Polly Peck and Barratt Developments. Doubles were done in Barratt Developments, Berkeley and Hay Hill, UKO, Booker McConnell, West Coast and British Aerospace.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close
BSR Intnl	13	208
Pohanol	13	505
Holden Hydro.	12	105
Microvitec	12	187
Allied-Lyons	11	162
BTR	11	453
CASE	11	700
Courtaulds	11	132
Midland Bank	11	335
Barratt Devs	10	94
BP	10	503
De Beers Defd	10	524
Hanson Trust	10	212
Inchcape	10	342

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price
Booker McConnell	165
Bowater	262
BP	482
CPU Computers	160
Cons Gold Fields	569
Fleet Holdings	150
GKN	164
Initial	493
Phoenix Assurance	416
Plessey	204
Reed International	338
RTZ	600

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (5)

INDUSTRIALS (2)
Booker McConnell Initial

OILS (1)
Night Hawk Resources

MINES (2)
East Rand Cons Rand London

NEW LOWS (419)

BRITISH FUNDS (55)
INT BANK & O'SEAS GOVT STLG ISSUES (9)
CORPORATION LOANS (6)
COMMONWLTH & AFRICAN LOANS (2)
LOANS (8)
FOREIGN BONDS (1)
AMERICANS (10)
CANADIANS (4)
BANKS (17)
BREWERS (4)
BUILDINGS (17)
CHEMICALS (9)

[illegible]

LONDON TRADED OPTIONS

[illegible]

May 30 Total Contracts 6,317. Calls 3,607. Puts 2,710

*Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101	100	Treas 12pc 1984	100	−	11.92	9.84
105	103	Treas. 15pc 1985	103	−	14.54	10.19
102¼	101	Exch. 12pc Cnv. '85	101	−	11.86	10.34
95	93	Treas 3pc 1985	94	−	3.19	9.39
102	100	Treas 11½pc 1985	100	−	11.42	10.80
99	97½	Treas 8¼pcCnv '85	97½	−	8.97	10.84
104	101½	Exch. 12¼pc 1985	101½	.....	12.07	11.08
101	100	Exch. 11¾pc '86	100	−	11.67	11.21
102	97	Treas. 10pcCnv 1986	97	−	10.22	11.26
90¼	88¼	Treas 3pc 1986	88	−	1.38	9.43
102	98	Exch. 10½pc Cv '86	98	−	10.64	11.25
104	100	Treas 12pc 1986	100	.....	11.90	11.52
98	94½	Treas 6½pc 1984-86‡‡	94	−	8.99	11.46
108	104	Exch. 14pc 1986	104	−	13.17	11.68
87	85	Exch. 2½pc 1986	85	−	2.94	9.13
107	103	Exch. 13¼pc 1987	103	−	12.85	11.81
100	96	Treas 10¼%Cv '87	96	−	10.61	11.73
86	83	Exch 2½pc 1987	83	−	1.01	9.62
101	96	Exch. 10½pc 1987	96	−	10.86	11.87
92	80¼	Funding 6½pc '85-87‡‡	88¼	−	7.37	11.33
99	95	Treas. 10pc 1987	95 xd	−	10.48	11.90
85	81	Treas 3pc 1987	81	.....	3.68	9.99
105	100	Treas. 12pc 1987	100	−	11.98	11.94
94	89	Treas 7¾pc 1985-88‡‡	89	−	8.69	11.42
100	95	Exch 10½pc '88	95	−	10.99	11.91
98	92	Treas 9½pc Cv '88	92 xd	−	10.49	12.01
82	72	Transport 3pc '78-88	77 xd	−	1.89	9.98
96	91	Treas. 9½pc '88	91	−	10.34	11.91
106	98	Treas 11½pc 1989	98	−	11.70	11.96
50	45½	Treas9½pcCv'89 £50pd	45½	−	10.42	11.92

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103	93	Treas. 10½pc 1989	93 xd	−	11.17	12.12
100	95	Exch. 10pc 1989	95	−	10.94	12.26
98	93	Do. 10pc '89 A	93	−	10.93	12.27
85	77½	Treas 5pc 1986-89	77½	−	6.50	10.77
112	107	Treas 13pc 1990‡‡	107	−	12.62	12.22
110	103	Exch. 12½pc 1990	103	−	12.43	12.13
93	84	Treas 8¼pc 1987-90‡‡	84 xd	−	9.68	11.75
98	90	Treas. 10pcCv 1990	93	−	11.08	12.20
107	101	Treas 11¾pc 1991	101	−	12.11	12.43
[illegible]						

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
169	130	Macfarlane Gp	160		3.87	2.6	3.5	13.0
45	37	Maclellan 20p	38	−2	1.6	ϕ	6.2	ϕ
177	44½	Macpherson (D.)...	127		ϕ2.25	0.1	2.5	
64	53	Magnolia Group	53		2.5	3.2	6.7	5.2
64	43	Malaysian Hldgs 10p	45		—	—	—	42.9
210	157	Man. Ship Can. £1	235	−2	5.5	3.5	3.3	12.1
95	78	Marley	78	−1	1.2	2.1	5.9	10.9
50½	40	Marling Ind. 10p	48		†1.08	1.1	3.2	16.
46	29	Marshall L'ay. 'A'	35		1.2	3.6	4.9	6.2
66	54	Marshall's Univ	64	+2	—	—	—	15.9
30	22	Martin-Black	22		—	—	—	—
£108	£88	Mathesons 7¾%	£96		07¾%	2.3	8.4	—
378	246	Metal Box £1	333	−9	†11.55	3.2	5.0	7.0
229	129	Metal Closures	192	−10	6.3	ϕ	4.7	ϕ
21	13	Metal Sciences 2½p	13	−3	—	—	—	—
19	8	Metalrax Jenique	8		0.01	—	—	—
133	85	Midland Marts	85	−5	4.0	ϕ	6.7	ϕ
64½	45	Mitchell Cotts	57	−1	3.62	1.0	8.9	15.4
29	18	Mollen Grp 1p	20	−1	0.5	ϕ	3.6	ϕ
168	132	Morgan Crucible	150	−2	7.5	ϕ	7.1	ϕ
97	82	Moss (Robt.) 10p	96	−1	2.5	ϕ	3.8	ϕ
300	197	MMW Computers	279	−6	6.0	3.0	3.1	15.6
65	53	Nash Inds.	53		4.0	2.2	10.8	6.1
47	30	Neil & Sp'ncer 10p	38		—	—	—	16.4
20	45	New Equip 10p	70		ϕ1.15	6.5	2.3	9.4
33	16	Newman Indusis	23		—	—	—	12.9
31	16½	Do. 10pc Cnv. Pf.	21	−2	10%	—	6.0	—
66	43½	Norton	43½	−3	1.0	2.9	3.3	13.3
175	146	Norcros	146	−5	b7.0	2.3	6.0	8.8

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australians

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
18	34½	ACM 20c	14½	−½	—	—	—
38	25	Allstate Expl'n NL	25		—	—	—
10½	4	Asia Oil & Minerals	5¼		—	—	—
19	11	Aust. Hydrocarbon NL	13		—	—	—
28	20½	Australis Mng NL	21	−1	—	—	—
45	15	Balmoral Res.	30½		—	—	—

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 39

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Insurances—continued

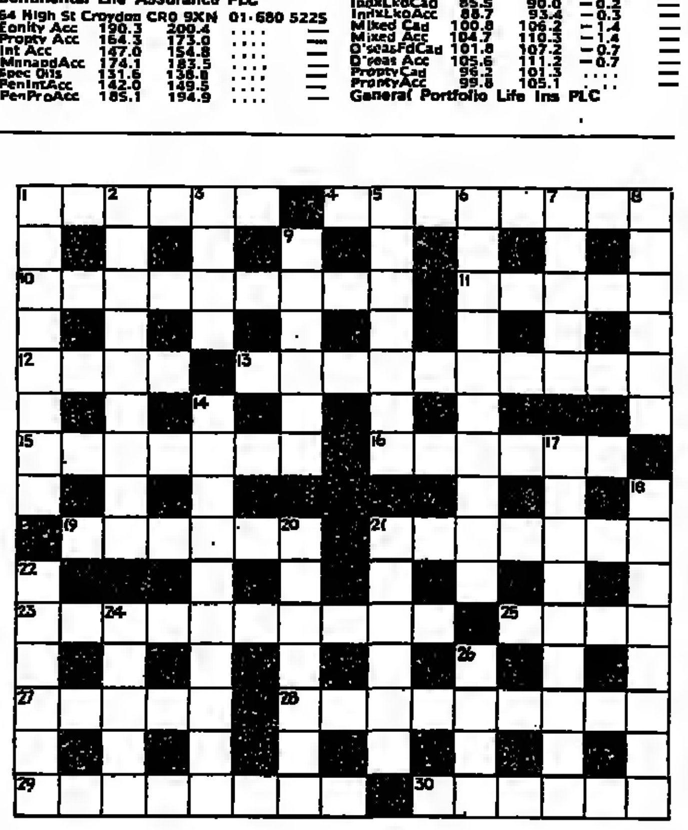
Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 142311

Pension Funds				
EqPenFdAcc	649.7	683.8	−12.0	—
EnroFdAcc	99.3	104.5	−1.4	—
FndIntAcc	415.9	437.7	−1.7	—
GtMnPnAcc	259.9	273.5	....	—
IntlManFd	254.0	269.4	−2.0	—
JnondFdAcc	142.3	149.7	−0.4	—
AmPnFdAcc	110.0	116.4	−3.1	—
Property	243.9	256.7	....	—
MoIntPnAc	534.4	562.5	−5.6	—
KeyInvFd	—	131.09	....	—

Colonial Mutual Group
1 Ludgate Hill EC4P 4BD. 01-246 9861
Capital Life Assurance

KeyInvFd	—	132.31	....	—
Equity Fd	134.61	141.70	....	—
FxdIntFd	111.72	117.60	....	—
Propty Fd	114.47	120.49	....	—
Cash Fd	102.91	108.33	....	—
ManagdFd	130.58	137.45	....	—
Col Mut Life (Pension Annuities)				
ManCpA'8	120.47	126.82	....	—
MenInrA'8	121.03	128.36	....	—

F.T. CROSSWORD PUZZLE No. 5,429



ACROSS

1 Such escapades can end in pickles (6)
4 May give unusual "what-ho" to the fleet (8)
10 Reproof given when total change includes sovereign (7-2)
11 Assessed for trade development (5)
12 Street in Paris comes to a dead-end, it is regretted (4)
13 Like rocks that are gold-bearing, in furious era of upheaval (10)
15 Wine-bottle some people make light of (7)
16 Fashionable object in test (6)
19 Oppressor of the French with moral flaw (6)
21 Fir-cone producer (7)
23 Indistinct mutterer, Pa — get the hearing-aid (3-7)
25 Nelson is one in cargo-space (4)
27 Whiplash to thing? (5)
28 Dear former-wife thoughtful (9)
29 Head of doctors treating agonies must first do this (8)
30 Hound-horn (6)

DOWN

1 It gives one a dim view of the waterfall (8)
2 Do serious damage leading pure lives (9)
3 Painter in Somerset Maugham's story (4)
5 Got in as substitute for games-competitor (7)
6 Opera to be played ppp? (10)
7 Excel in garden-party, for example (5)
8 So lumpy, no amount of medicine ends it (6)
9 Silver externally, I provide tail for what resembles guinea-pig (6)
14 To photograph fierce woman can be a bloomer (10)
17 Lake District's floral dancers? (9)
18 Hill-permit about to expire (8)
20 Moods of pets (7)
21 Did this tomb-builder pose problem to church-leaders? (6)
22 Set of five shut up these days (6)
24 Girl, rehead, had ring exchanged (5)
26 Indian of half American extraction? (4)

Solution to Puzzle No. 5,428

INSURANCES

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	129 6	136 5	1 9	—
Do Initial	121 7	130 3	1 8	—
Universal Tec Acc	83 1	87 5	1 2	—
Do Initial	81 8	86 2	1 2	—
Man Pens. Accum.	264 6	273 3		—
Do Initial	209 9	221 0		—
Gilt Edg Pens. Accum	213 0	225 1		—
Do Initial	166 2	175 0		—
Money Pens. Accum	197 7	208 2		—
Do Initial	155 9	164 2		—

Black Horse Life Ass. Co. Ltd.
346A High St., Chatham 0634 405161

Black Horse Man Fd		262.73		—
Managed Inv. Fd.	175.37	184 60		—
Property Fd.	154.90	163 06		—
Fixed Interest Fd	149 66	157.44		—
Cash Fd	139.26	146.59		—
Income Fd.	202.57	213.24		—
Extra Income Fd.	197.87	208 29		—
Worldwide Growth Fd.	230.86	243.02		—
Balanced Fd.	204 85	215 63		—
Smlr Co's & Recy. Fd	231.01	243.17		—
Int. Technology Fd	257.53	271.09		—
Nth. Amer & Gen. Fd.	150.97	158 92		—
Energy Int Fd.	113.93	119 93		—
Pacific Basin Fund	164.31	172.96		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	119 9	126.2		—
Property	123.6	130.1		—
Equity	129.2	136 0		—
International	134.2	141.3		—
Fixed Interest	105.0	110 5		—
Deposit	102.8	108 2		—
Managed Pens. Cap.	118.8	125.1		—
Property Pens. Cap.	123.5	130.0		—
Equity Pens. Cap.	122 7	129 2		—
Intnl Pens. Cap.	137.5	144 8		—
Fixed Int. Pens. Cap.	100 4	105 7		—
Deposit Pens. Cap.	98.8	104.0		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1 ... 103 6

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	125 7	132 4	-0 4	—
G2 Pla High Yld Fnd	129 5	136 4	-1 6	—
G.T Plan Far East Fnd	124 4	131 0	+1.2	—
GT Plan N. Am Fd.	115.2	121 3		—
G.T Pla UK&G.E. Fnd	150 1	158 1	+1.2	—
G.T Pln Wrldwde Fnd.	144 7	152 4	0 2	—
GT Premium Bnd Fnd.	137 2	144.5	-0 8	—
G.T Pen High Yld Fd	149 7	153 6	-1.9	—
G2 Pen Far East Fd	154 0	161 0	+1 7	—
GT Pen N. Am. Fd	169 0	130.8	-0 1	—
Pen UK and General	175 2	184 5	+1 4	—
GT Pen Worldwide Fd.	155 3	63 5	-0 2	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0333

Intl Managed Bond [174.3 | 783 9 | | —

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts Waltham X 31971

Portfolio Fd. Acc.	266.6		—
Portfolio Fd. Inst.	214.5		—

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth 0202 762655

Managed Fd.	283 0	299 0		—
Money Fd.	159 7	168 1		—
Equity Fd.	239 7	252.6		—
Fixed Int. Fd	117 6	123 9		—
Property Fd	177.4	186 9		—
Managed Pen. Fd.	273.2	287 9		—
Equity Pension Fd.	173 4	183.2		—
Fixed Int. Pen. Fd.	165 0	173 9		—
High Yield Pen. Fd.	163 3	172 1		—
Money Pension Fd	134.2	141.3		—
Property Pension Fd.	132.4	140.0		—

Gresham/Framlington

American & Gen. Fd.	220 2	232 0	-0 7	—
Income Fd	213 7	225 3		—
Int'l Growth Fd	251 9	265 4	+0 4	—
Capital Fund	221 6	233 5	-1 0	—
Recovery Fund	154 3	162 6		—
Japan & Gen Fd.	94 6	99 7	+0 4	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-322 1122

Lloyds Life Assurance—cont.

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.
100, Temple St.

Continued on adjacent Page

London & Manchester Group

OFFSHORE AND OVERSEAS

NOTES

Instant coffee price 'to rise by up to 10%'

By John Edwards

A WARNING that UK instant coffee prices will rise shortly was issued yesterday by one of the leading roasters, General Foods, the best-known brand of which is Maxwell House.

The company said price increases of as much as 10 per cent on 100-gramme jars could reach the shops this summer as a result of the recent steep rise in the cost of raw coffee beans.

It noted that bean prices have rocketed by 20 per cent in the past month and are 40 per cent higher than a year ago.

Prices on the London futures market earlier this week reached the highest level for nearly seven years and even allowing for some fallback a substantial increase in prices appears inevitable, the company said.

● Coffee futures rallied on the London market yesterday after opening on an easier note. The July position dipped to £2,290 at one stage in early trading, following the easier trend in New York overnight, but then rallied to £2,357 before closing at £2,338 a tonne, £9 up on the previous day.

Sugar market recovers

SUGAR PRICES rallied on the London futures market yesterday, following lower than expected export authorisations at the EEC weekly selling tender.

The EEC Commission authorised the export of 10,000 tonnes of white (refined) sugar in its main 1983-84 series taking the cumulative total for the season to 2,073,430 tonnes.

It also authorised the export of 45,750 tonnes of white sugar in the supplementary series of selling tenders for delivery in the new season.

Soviet grain fears eased

BY NANCY DUNNE IN WASHINGTON

REPORTS OF rain in the Soviet Union and a Chinese sale of wheat bought from the U.S. contributed to a break in grain prices on the Chicago Board of Trade Monday and Tuesday.

July wheat, which had peaked at $3.76 a bushel had dropped to $3.62 by midday Tuesday and July maize had fallen to $3.52 from a high of $3.57.

The news of rain in the Soviet Union came on the heels of a three-week buying spree when meteorologists saw little relief in the severe drought. Even now, they say, the weekend's rains may not have been enough.

The trade has been predicting a Soviet 1984 crop of 170m to 180m tonnes and says estimates may drop lower by July if substantial moisture is not received by early next month.

Rumours abounded last week that the Soviets were actively pricing and seeking offers from suppliers other than the U.S. Moscow was reportedly active in the Argentine feed-grain market with at least 500,000 tonnes of maize purchased.

The European Economic Community is said to have sold at least 300,000 tonnes of wheat to the Soviets. The sales, however, could have gone as high as 1m tonnes.

The Chinese sellback of 340,000 tonnes of U.S. wheat was an added psychological blow to prices, analysts said.

The U.S. agricultural counsellor in Peking has reported that in spite of all Chinese assurances to the contrary they will not buy the 12m tonnes promised for 1983 and 1984 under the long-term grains agreement with the U.S.

In fact, they are not even expected to reach the 6m-tonne annual minimum required for this year.

In a report dated May 16 the counsellor said excellent 1982 and 1983 wheat crops would dampen demand for imports. He also cited a "remarkable" 1983 Chinese maize harvest as reason for lower import demand.

The Chinese ceased all grain purchases from the U.S. for eight months last year because of a disagreement on textile trade.

Meanwhile the U.S. Department of Agriculture has forecast an overall improvement in world import demand for coarse grains in 1984-85 as U.S. production rises, prices drop and the Soviet Union increases its purchases.

U.S. coarse-grain exports for the period are expected to rise 2m tonnes from the current season's forecast of 58m tonnes.

U.S. wheat exports, however, are expected to fall below 37m tonnes in July-June 1984-85, the smallest amount since 1978-79.

Natural rubber prices fall

NATURAL RUBBER prices in London yesterday declined sharply to the lowest level since February last year. The No. 1 RSS spot price fell by 2.75p to 67.5p a kilo, a loss of 23.5p from the peak of 91p reached in January.

The market has been depressed in recent months by the unexpected decline in consumer buying at a time supplies have become more plentiful following a mild "wintering" period in Malaysia this spring.

Yesterday's decline in London was attributed to a fall in the Far East markets overnight stronger sterling and continued lack of speculative and trade buying interest.

● THE National Edible Oil Distributors Association yesterday forecast that world prices would remain high for edible oils for most of this year following the rapid escalation in the second half of last year when prices more than doubled.

● Today's weekly European Commission cereals tender has been cancelled because the Commission will be closed for the Ascension Day public holiday, official said in Brussels. They said tenders would resume next Thursday as usual.

● Researchers have discovered crops that thrive on salt water and yield at least as much food as conventional crops. They say cultivation of salt-tolerant plants could ease shortages of fresh water in California.

● A SMALL company is proceeding with plans for Australia's first commercial farm to breed rabbits for meat and fur in spite of opposition from a U.S. conservation group.

● A 100-STRONG herd of British pedigree pigs has been shipped to Poland to help re-establish the declining meat industry. The pigs—15 large white boars, 19 Welsh boars and 61 Welsh gilts—were selected by a buying mission which toured British farms as guests of the National Pig Breeders' Association.

London copper market unsettled

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell back on the London Metal Exchange yesterday following nervous selling triggered by the decline in the London and New York stock markets.

At the same time there was little consumer buying interest and two leading U.S. producers, Kennecott and Asarco, announced cuts in their domestic selling prices.

Aluminium prices also lost ground, influenced by the trend in copper. So did lead, though the market was unsettled awaiting the result of the resumed talks over the terms of new labour contracts for workers at the Amax lead plants in Missouri.

Meanwhile Broken Hill Associated Smelters announced in Sydney that lead production would resume at its Port Pirie smelter on June 10 following the ending last week of the stoppage at the Broken Hill mining complex over a pay dispute.

Zinc was boosted by a renewed tightening of the squeeze on immediately-available supplies. Cash zinc jumped by £35.5 to £785 a tonne, wiping out most of Tuesday's losses, while the three months' quotation gained only £1.25 to £690.5.

Wong Sulong in Kuala Lumpur writes: Malaysia has strongly criticised tin producers, which are not members of the International Tin Council, for aggravating the depressed tin prices by selling too much metal.

Datuk Paul Leong, Primary Industries Minister, singled out Brazil, which exported 8,000 tonnes of tin last year, an 80 per cent rise on 1982.

This year Brazil's tin export is expected to rise by another 80 per cent, to 14,000 tonnes, making it the fifth-biggest exporter.

Speaking to Malaysian tin-miners at their annual meeting in Kuala Lumpur yesterday, Datuk Leong said Brazil was increasing exports when there was already 70,000 tonnes of surplus tin and when producing members of the ITC had to restrict exports by 39 per cent, a burden not borne by non-ITC members.

Datuk Leong expressed regret that a leading member of the Association of Tin Producing Countries was not prepared to pay its share of the association's budget, making it impossible for the year-old organisation of seven producers to start operations.

The minister did not name the country but it is understood he was referring to Bolivia.

The theme of this year's ministerial address to the miners was that tin demand had been depressed and new uses of tin had to be found for the industry's long-term health.

EEC AND UK POLICIES 'COST 2m JOBS'

AT LEAST 2m in Britain had lost jobs directly because of agricultural policies pursued in Brussels and Whitehall, even after allowing for jobs gained in industries supporting agriculture, it was claimed yesterday by Mr Richard Body, a farmer and Tory MP for Holland with Boston, in his book Farming the Clouds.

He said that even farmers were victims of the "crazy" farm policy in Britain: "If a policy of supporting farmers means anything at all it means keeping them in business, and, since our present policy was introduced, half our farmers have gone out of business."

Britain's farmers had received about £63bn since 1947 in support prices and the value of agricultural land had risen to about £64bn since 1939.

"The money we have poured into agriculture has gone into raising the price of land. Landowners have benefited. Farmers as such are saddled with totally unrealistic capitalisation, and young people trying to get into farming can mostly not hope to buy a farm."

Mr Body said a new agriculture Act was needed which recognised, first, that farmers were businessmen, and, secondly, that they produced something that concerned all.

He has represented his constituency since 1966 and is a member of the Commons Select Committee on Agriculture. His previous book was Agriculture: The Triumph and the Shame.

Farming in the Clouds

John Cherrington reviews the latest book by Richard Body, MP

IN HIS latest book Richard Body has directed his main attack against the Common Agricultural Policy, its cost to the British consumer, the distortions inflicted on world trade by its subsidised exports and the way in which its protectionism damages the economies of some developing countries.

He deplores the changes it has brought to British farming. He says the quest for efficiency aided by fertilisers, chemicals and development of high input-high output techniques has turned the practical farmer into a creature manipulated by chemical companies and financial institutions, growing ever larger heaps of unsaleable food while destroying the countryside.

On the CAP there is not much to quarrel with in his argument. It has increased British food prices and upset food markets worldwide. He does not, however, make clear enough that the European Economic Community is not the only villain.

The U.S. also subsidies farming and though its system obtains a lot more food for the money spent than does the European counterpart, its surpluses can also cause distortions.

Further, it is certain that had Britain not been forced to adopt the CAP in its present form the cost of most temperate foods would on balance have been appreciably less.

Where Mr Body gets rather lost is when the talks of the effects on farming. He seems to deplore the use of fertilisers but does not specify which. He deplores the use of chemicals and modern grasses, too.

He harks back to a Golden Age when natural pastures fattened good cattle, grain grew in rotations healthily without modern chemicals, and British farmers flourished in much larger numbers than today.

I, however, can argue only from my own experience. This covers more than 50 years. From it I am convinced livestock and crops are much healthier than ever in the old days.

He cites the Chinese as being paragons of farming. From observation I can agree. The Chinese, however, encouraged every sort of fertiliser, including nitrogen which, contrary to his thesis, is not a finite product, at least as long as there is an energy source with which to make it.

Where I believe our farming has gone wrong is the way in which, for want of a better term, big business has latched on to it. Farmers and the City took advantage of the coming of the CAP, which doubled or trebled prices over the 10-year transitional period.

To many it seemed that after 25 years of production controls there would be no limits. Money was freely available and banks competed to get in on the act. The whole of British farming became locked into an inflationary price spiral which until now has kept ahead of costs.

The CAP, however, should not be blamed or congratulated for this. It did not happen to our fellow-members' farming economies. In most of them there are statutory or social restrictions on the size of farm businesses and, in general, farmers intend to keep them that way.

Mr Body wishes to opt out of the CAP. What he does not realise is that British farming in its present form is the odd man out. Perhaps he would be happier if we opted in.

Farming in the Clouds; Richard Body, MP; Maurice Temple Smith; Jubilee House, Chapel Road, Hounslow, Middlesex; £3.50.

PRICE CHANGES

In tonnes unless stated otherwise	May 30 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1390/1420	......	$1350/380
Copper			
Cash h Grade	£1055.25	—12.7	£1046
3 mths	£1045.70	—18	£1062
Cash Cathode	£1031	—11.5	£1046.25
3 mths	£1039.5	—12.5	£1055
Gold troy oz	$385.5	—0.25	$377.75
Lead Cash	£325.75	—7.25	£333.5
3 mths	£325.75	—6.5	£339.5
Nickel	£4988	......	£4888
Free Mkt	215/235c	......	212/232c
Palladium oz	$154.25	—1	$157.50
Platinum oz	$392.75	......	$387.5
Quicksilver†	$300/310	......	$310/315
Silver troy oz	662.30p	—3.35	640.70p
3 mths	677.55p	—3.70	654.25p
Tin cash	£9055	+5.5	£9047.5
3 months	£9010.5	+3	£9015.5
Tungsten	$83.20	......	$83.51
Wolfram 22.04lb	$85/89	......	$85/88
Zinc	£785	+35.5	£677.5
3mths	£690.5	+1.25	£677.55
Producers	$1050/1080	......	$1050/108

	May 30 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1450w	—60	$1230
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$970v	......	$860
Seeds			
Copra Phil	$955y	—5	$730
Soyabean (U.S.)	$346.5z	—7.4	$317
Grains			
Barley Fut. Sep.	£107.80	+0.50	£106.10
Maize	£151.50	......	£147.50
Wheat Fut. Sep.	£108.80	+0.30	£125.40
No 2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£2173	+20	£2022
Futures Jly	£2102.5	+20	£1952
Coffee Ft. Jly	£2338	+8	£2114.5
Cotton A index	90.10c	......	82.35c
Gas Oil June	$248.5	—1.5	$239.5
Rubber (kilo)	67.5p	—2.75	72p
Sugar (raw)	£109wv	—0.5	£113
Wooltops 64s	475p kilo	......	472p kilo

‡ Unquoted. z June. v July. y July-Aug. w May-June. x June-July. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The gas oil market opened about a dollar lower and weakened during the morning to reflect softer physicals. A rally in New York was quickly followed in mid-afternoon by London and prices moved to the highs. Profit-taking pushed prices lower on close, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.45-28.55	+0.1
Dubai Fateh	28.10-28.15	—
Arab Heavy	27.10-27.25	+0.1
North Sea (Forties)	29.55-29.75	+0.07
North Sea (Brent)	29.85-30.00	—0.1
African Bonny Li'ht	29.80-30.05	—0.02

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	283-287	+0.5
Gas Oil	246-250	—5
Heavy fuel oil	197-188	—0.5

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	253.00	—0.50	255.00-53.00
June	249.50	—1.50	250.25-48.50
July	250.75	—0.75	251.50-48.75
Aug	259.50	—0.50	253.00-51.25
Sept	254.50	+0.25	254.00-55.75
Oct	255.75	—	255.00-52.75
Nov	257.00	—0.50	257.00-55.50
Dec	258.00	—1.00	258.00-57.75
Jan	258.25	—0.75	—

Turnover: 1,654 (1,890) lots of 100 tonnes.

GOLD MARKETS

Gold fell $¼ to $385¼-385¾ on the London bullion market. It opened at $383¾-384¼ and was fixed at $384.75 in the morning and $386.40 in the afternoon. The metal touched a high point of $386¾-387¼ and a low of $383¾-$384¼.

In Paris the 12½-kilo gold bar was fixed at FFr 104,050 per kilo ($385.44 per ounce) in the morning, ahead of the Ascension Day holiday, compared with FFr 104,600 ($386.16) Tuesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 33,840 per kilo ($389.99 per ounce), against DM 34,070 ($386.99), and closed at $386¼-386¾ compared with $385¼-386.

In Luxembourg the 12½kilo bar was fixed at the equivalent of $384.50 per ounce, against $386.

In Zurich gold finished at $386½-$387, compared with $385½-386.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
June	386.80-87.00	+1.50	387.00-84.50
Aug	393.90-94.00	+1.20	394.30-91.50
Oct	—	—	—
Dec	410.30-10.90	+1.85	310.00
Feb	419.40-20.00	+1.85	319.70-10.00
April	427.00-27.90	+1.45	—

Turnover: 647 (352) lots of 100 troy ounces.

	May 30		May 29	
Gold Bullion (fine ounce)				
Close	$385¼-385¾	(£278¾-279¼)	$385½-385¼	(£278¾-279¼)
Opening	$383¾-384¼	(£277½-279)	$385¾-385¼	(£279¼-279¼)
Morning fixing	$384.75	(£277.998)	$385.50	(£278.843)
Afternoon fixing	$386.40	(£279.788)	$385.60	(£278.515)

Gold and Platinum Coins May 30

Krugrand	$397½-398¼	(£287-287½)	King Sov	$91½-93	(£66¼-67¼)
½ Krug.	$204¾-205½	(£147¾-148¼)	Victoria Sov	$91½-95	(£66¼-67¼)
¼ Krug.	$114½-105¼	(£75½-78)	French 20s	$73¾-74½	(£52½-53¾)
1/10 Krug.	$43¾-43½	(£30¾-31½)	50 Pesos Mex	$477-479	(£344½-345¾)
Mapleleaf	$397¼-398	(£286¾-287½)	100 Cor.Aust	$375-378	(£270¾-275¾)
New Sov.	$90¾-91½	(£65½-66)	$20 Eagles	$530-540	(£382¾-390)
½ New Sov.	$54¼-55	(£39¼-39¾)	Noble (Plat.)	$404-408½	(£292¼-295¼)

EUROPEAN MARKETS

ROTTERDAM, May 30.

Wheat—(U.S. $ per tonne): U.S. Two Soft Red Winter mid-June/mid-July 155, Aug 156, Sept 159, Oct 162. U.S. Two Northern Spring 14 per cent protein June 185, July 183.75, Aug 180.50, Sept 178.25, Oct 181, Nov 182.75. U.S. Three Hard Amber Durum June 191, July 190.50, Aug 186.50, Sept 183.75, Oct 186, Nov 188.50. Canadian One Western Amber Durum June 202, June/mid-July 199.50.

Maize—(U.S. $ per tonne): U.S. Three Yellow afloat 165, June 162, July 162.50, Aug 162, Sept 157, Oct/Dec 142, Jan/March 147, sellers. Argentine Plate afloat 171, May 171, June 171, May 171, June 171 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports June 339.00, July 340.30, Aug 343.50, Sept 312.60, Oct 290.50, Nov 290.10, Dec 291.90, Jan 295.60, Feb 299.50, March 302.80, sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 210, June 215, June/Sept 222, Oct 218, Nov/March 219, sellers. Pellets Brazil afloat 216, May 216, June 216, July 217, Aug 224, Sept 228, Oct/Dec 230, sellers. Brazil June 212, July 212, July/Sept 219, sellers. Pellets Argentine afloat 216, May 215, June 215, July/Oct 217.50, sellers.

PARIS, May 30.

Sugar—(FFr per tonne): Aug 1346-1349, Oct 1402-1410, Dec 1500-1510, March 1645-1655, May 1715-1730, Aug 1790-1800.

BRITISH COMMODITY PRICES

BASE METALS

Base-Metal Prices lost ground on the London Metal Exchange in the wake of Commission House and arbitrage selling. Copper opened firmer at £1,054 but subsequently fell away to £1,040 before closing the late kerb at £1,041.5. Trade selling lowered Lead to £323.5 but the continuing squeeze on nearby supplies widened the backwardation in zinc to £110 prior to a closing spread of £105; forward zinc ended the day at £694. Aluminium and nickel were finally £971.5 and £3,555. Tin moved ahead to close at £9,010 as the buffer stock manager lifted his support level.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1032-.5	—3.2	1025-.5	—12¼
3 months	1049-.50	—4.75	1043.5-4	—12
Settlem't	1032-5	—3.5	—	......
Cathodes				
Cash	1036-7	—5	1030-2	—11.5
3 months	1045-6	—4	1039-40	—12.5
Settlem't	1037	—3	—	......

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1032; three months £1050, 48.90, 48.50, 48, 48.50, 50, 49.50. Cathodes: Cash £1037; three months £1046. Kerb: Higher grade: three months £1051, 51.50, 52. Afternoon: Higher grade, three months £1051, 50, 49.50, 48, 45, 45.50, 45, 44.50, 44, 43, 43.50. Cathodes: Three months £1040. Kerb: Higher grade, three months £1042, 41, 41.50, 42, 42.50, 43, 42.50, 42, 41, 40, 40.50, 41. Turnover: 21,025 tonnes. U.S. Producers 68-73 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9100-5	+65	9110-1	+35.5
3 months	9050-1	+4.5	9055-60	......
Settlem't	9105	+65	—	......
Standard				
Cash	9040-5	+5	9050-60	+2.5
3 months	9000-5	......	9010-1	+5
Settlem't	9045	+5	—	......
Straits E.	$92.15	......	—	......

Tin—Morning: Standard, cash £9040; three months £9005. High grade: Cash £9100, 9100; three months £9050. Kerb: Standard, three months £9005. Afternoon: Standard, three months £9010. High grade: Cash £9120; three months £9050, 60. Kerb: Standard, three months £9010. Turnover: 980 tons.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	330.5-1	—8.75	325.5-6	—7.25
3 months	330-.5	—5.75	325.5-5	—6.5
Settlem't	331	—7	—	......

Lead—Morning: Cash £331.50, 31; three months £330, 29.90, 30, 31, 30, 30.50, 30. Kerb: Three months £331, 30.50, 31. Afternoon: Cash £325.50; three months £330, 29, 28, 27, 26.50, 26, 25.50, 25, 25.50. Kerb: Three months £324, 23.5, 23, 23.5. Turnover: 19,650 tonnes. U.S. Spot: 25-28 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	781-3	+20	780-90	+35.5
3 months	691-8	+2	690-1	+1.25
Settlem't	783	+25	—	......

Zinc—Morning: Cash 765, 75, 60, 85; three months £692, 93, 94. Kerb: Three months £693, 92.50. Afternoon: Three months £693, 92, 91. Kerb: Cash £805; three months £691, 92, 91. Turnover: 24,970 tonnes. U.S. Prime Western: 52.75-53.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	968.5-9	—5.75	964-5	—14.5
3 months	980.5-1	—2.5	976-7	—11.7

Aluminium—Morning: Three months £981, 86, 83, 83.50, 82, 81. Kerb: Three months £982, 81, 81.50, 82, 81.60. Afternoon: Three months £980, 79, 78, 78.50, 78, 76, 75, 74, 75, 76, 75.50, 75, 74, 75, 70, 75.50, 76. Kerb: Three months £975, 74.5, 74, 73, 72.5, 72, 71. Turnover: 41,275 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3503.5	—9.5	3485-7	—15
3 months	3579-80	—6	3565-7	—8

Nickel—Morning: Cash £3503; three months £3579, 75, 77, 75, 74, 72, 73, 77, 78, 77, 85, 80, 79, 78, 79, 80, 79. Kerb: Three months £3578. Afternoon: Cash £3500, 3494, 85, 86, 97, 90; three months £3575, 70, 65, 64, 60, 65, 75, 60, 65, 68, 70, 69, 68. Kerb: Three months £3560, 62. Turnover: 2,518 tonnes.

SILVER

Silver was fixed 3.35p an ounce lower for spot delivery in the London bullion market at 662.3p. U.S. cent equivalents of the fixing levels were: spot 916c, down 4.2c; three-month 942c, down 4.9c; six-month 972.7c, down 5.5c; and 12-month 1,034.1c, down 6.4c. The metal opened at 658-661p (910-913c) and closed at 659½-662½ (912-915c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	662.30p	—3.35	662p	—5
3 months	677.55p	—3.70	677.5p	—5.25
6 months	695.50p	—4.40	—	......
12 months	729.55p	—5.15	—	......

LME—Silver (2,000 oz contract): Cash 662p (667p); three months 677.5p (682.75p). Turnover: 0 (0).

Turnover: 77 (191) lots of 10,000 oz. Morning: Large three months 677.8, 77.5, 77.9, 81.5, 81.2, 81.5, 81.6. Kerb: untraded. Afternoon: large three months 681.0, 77.0, 77.5. Kerb: large three months 678.0, 77.

COCOA

Although almost £30 easier on the opening call, futures rallied sharply during the afternoon and closed at the upper end of the trading range, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	2025-07	+21.0	2110-57
July	2101-04	+80.0	2113-55
Sept	2065-54	+11.0	2076-31
Dec	1884-85	—0.5	1900-70
March	1896-97	—12.0	1645-24
May	1925-27	—15.0	1937-25
July	1881-88	—14.5	1856-34

Sales: 2,498 (4,521) lots of 10 tonnes.

ICCO Indicator prices—U.S. cents per pound). Daily prices for May 29: 123.94 (125.19) + five-day average for May 30: 123.84 (124.06).

COFFEE

During a fairly active opening futures continued the recent retracement in moderate volume, reports Drexel Burnham Lambert. However a wave of trade and dealer buying absorbed the early commission house pressure to steady prices by midday. Further support extended gains in the afternoon before light profit-taking at the close prompted a minor retreat.

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2302-10	+21.0	2310-60
July	2356-40	+2.0	2357-90
Sept	2380-83	+33.0	2330-55
Nov	2327-30	+25.0	2345-80
January	2257-60	+19.0	2275-25
March	2155-60	+1.0	2175-33
May	2100-10	+2.5	2100-90

Sales: 3,982 (5,743) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for May 29: Comp. daily 1979 147.54 (150.48); 15-day average 148.91 (149.51).

GRAINS

Business done—Wheat: July 129.10-8.40, Sept 108.50-8.10, Nov 111.40-1.00, Jan 114.45-4.20, March 117.00-0.75. Sales: 198 lots of 100 tonnes. Barley: Sept 107.55-7.30, Nov 110.75-10.40, Jan 113.70-3.40, March 116.20-5.85. Sales: 112 lots of 100 tonnes.

July wheat found nervous profit-taking to reach 70p down before meeting shipper buying to recover its losses and close at the day's highs. New crops saw initial hedge selling but found commercial buying to strengthen through the day and close at the highs, reports Muirpace.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
July	129.00	—0.10	—	—
Sept	108.50	—0.30	107.80	+0.50
Nov	111.40	+0.25	110.75	—0.35
Jan	114.45	—0.25	113.70	—0.58
Mar	117.00	—0.25	116.20	—0.55

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent July 143, Aug 140.50, Sept 138.25 sellers trans shipment East Coast. English feed fob June 131.75 seller trans shipment East Coast. Maize: U.S. No 3 Yellow/French June 151.50 seller East Coast. Barley: English feed fob June 128 quoted East Coast. Sorghum: U.S./Argentine/French mid-May, mid-June 138, quoted cif free out. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: N. East 120.30, Scotland 119.60. The UK monetary coefficient for the week beginning Monday May 28 is expected to change to 0.961.

PIGMEAT

Near-by months held steady in dull trading conditions. The AAPP at 109.35p per kg (—0.77p) encouraged a strong close with the middle positions showing the largest gains, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	123.5	123.5	123.7-123.5
Aug	117.0	111.3	117.5-117.0
Oct	112.0	119.8	120.0-119.5
Nov	120.5	120.0	120.3-120.0
Feb	117.5	119.0	119.0-117.5
April	117.5	117.7	117.5

Sales: 107 (29) lots of 50 carcases, 3,250 kilos.

POTATOES

Old crop May opened £10.00 higher but slipped back to trade for most of the day at £26.00 in thin volume. New crops were quiet, at unchanged to slightly higher levels, until selling pressure on the closing call, chiefly in April, eased values which closed weak, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
May	259.00	260.00	270.0-260.0
Nov	72.70	78.30	75.50-72.00
Feb	91.50	91.50	81.50
April	92.70	93.70	95.00-92.70
May	105.30	105.50	104.50

Sales: 377 (419) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened slightly easier, drifted lower throughout the day and closed quiet and easier, reports Lewis and Peat. Closing prices (buyers): spot 67.50p (70.25p); July 73.00p (75.25p); August 73.75p (76.25p). The Kuala Lumpur June fob price for RSS No 1 was 218.5 (222.5) cents a kg and for SMR 20 was 210.0 (212.0).

FUTURES—Close (in order: buyer, seller, business). RSS No 1 £ per tonne. June 670, 685, nil; July 680, 695, nil; Aug 704, 710, nil; Sept 719, 720, 720; Oct 126, 130, 729; Nov 140, 741, 744-740; Dec 749, 750, nil; Jan 752, 758, nil; Feb 760, 765, nil; July/Sept 705, 710, nil; Oct/Dec 740, 741, 745; Jan/Mar 764, 765, 764-763. Sales: 34 (23) lots of 5 tonnes, 9 (same) lots of 15 tonnes.

SOYABEAN MEAL

The market opened unchanged in thin volume, reports T. C. Roddick. Prices remained in narrow ranges throughout the day to close on a weaker note.

	Yestday's close	+ or —	Business Done
	£ per tonne		
June	158.00-60.00	—1.50	159.80
August	155.00-55.50	—0.55	155.10
October	157.00-57.80	—0.55	157.50
Dec	155.00-57.80	—0.20	157.50
Feb	157.50-59.00	—0.25	—
Apr.	158.00-59.00	—	—
June	156.00-59.00	—0.50	—

Sales: 34 (96) lots of 100 tonnes; 0 (5) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £108.50 ($149.00), down 50p (down 51.00), a tonne for May-June-July delivery. White sugar $153.000, down $3.00.

October traded down to $162 on long liquidation but sufficient trade short-covering developed to arrest the decline and price rose about $2.00, reports C. Czarnikow.

No. 6 Con-tract	Yest'day's close	Previous close	Business Done
	$ per tonne		
Aug	156.60-56.20	156.20-56.40	156.20-54.40
Oct	165.60-67.00	164.00-64.20	164.20-62.00
Dec	171.20-72.70	171.60-72.20	172.60-71.00
Mar	189.20-90.00	188.80-90.00	190.60-89.00
May	195.20-97.00	196.40-97.00	196.60-95.00
Aug	204.40-05.00	205.00-05.00	205.00
Oct	211.00-15.00	210.00-15.00	212.00

Sales: No 6 5,722 (1,222) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £212.50 (£214.50) a tonne for export.

International Sugar Agreement — [illegible]

AMERICAN MARKETS

(U.S. cents per pound fob and stowed Caribbean ports). Prices to May 29: Daily price 5.60 (5.70); 15-day average 5.56 (5.55).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 74 tonnes. Slow offtake brought relatively little demand. Minor orders concerned Central America and various African qualities.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. July 576.0, 576.0, 576.1-575.8; Oct 568.0, 567.0, untraded; Dec 570.0, 571.0, 571.0; March 580.0, 582.0, 581.0; May 590.0, 592.0, 591.0; July 595.0, 597.0, untraded; Oct 590.0, 592.0, untraded; Dec 592.0, 596.0, untraded. Sales: 44.

HIDES

HIDES—Birmingham (Manchester). Second clears. Ox: 31-35.5 kg, 108.1p a kg (108.40 withdrawn); 26-30.5 kg, 115.1p a kg (115.1p withdrawn); 22-25.9 kg, 124.7p a kg (124.3p withdrawn). Cows 25.5 kg, 123.0p a kg (124.6p).

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 418, 440, nil; Aug 448, 452, 450-448; Oct 445, 447, 446; Dec 447, 449, 448-446; Jan 441, 449, 448-447; Mar 454, 460, 456-456; May 465, 467, 466-65; Aug 478, 482, 479-478; Oct 479, 483, 480-478. Sales: 142.

INDICES

FINANCIAL TIMES

May 29	May 25	M'th ago	Year ago
517.17	519.50	505.90	257.01

(Base: July 1 1952=100)

REUTERS

May 30	May 29	M'th ago	Year ago
2014.5	2020.4	2000.2	1935.7

(Base: September 18 1931=100)

MOODY'S

May 29	May 25	M'th ago	Year ago
1076.2	1077.2	1055.2	1056.5

(Base: December 31 1974=100)

DOW JONES

Dow Jones	May 29	May 25	Month ago	Year ago
Spot	142.07	146.05	139.28	145.77
Fut's	140.74	142.1	140.25	141.42

(Base: December 31 1974=100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 79.0 to 86.0; English hindquarters 102.0 to 107.5, forequarters 54.0 to 57.5. Veal—Dutch hinds and ends 122.0 to 126.0. Lamb—English small (new season) 76.0 to 80.0, medium (new season) 72.0 to 78.0, heavy (new season) 70.0 to 72.0; Imported: New Zealand PL (new season) 51.5 to 68.5. Pork—English under 100lb 55.5 to 61.0, 100-120lb 56.5 to 59.5, 120-160lb 50.0 to 56.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 103.77p per kg lw (+1.74). GB—Sheep 157.58p per kg est dcw (+1.241). GB—Pigs 88.19p per kg lw (+0.09). GB—AAAAP 109.35p per kg dw (+0.77).

COVENT GARDEN—Prices for the bulk of produce in sterling per package unless otherwise stated. English produce: Apples—Per pound, Bramley 0.20-0.26, Ida Red 12.00-10.00, Winston 22.00-24.00. Pears—Per pound, Conference 0.14-0.26. Strawberries—½-lb 0.25-0.28, ½-lb 0.50-0.65. Potatoes—Whites 6.00-7.00, Edwards 7.00-7.40, Bakers 8.50-9.50. Mushrooms—Per pound, open 0.55-0.70, closed 0.75-0.90. Lettuce—Per tray round 0.90-1.40, Cos doz 2.00, Webbs 2.40, Iceberg 12s 8.00, 15s 7.00. Onions—Per 55-lb 12.00-14.50. Beetroots—28-lb round 2.80-3.00. Carrots—28-lb 3.00-3.50. Greens—Kent 30-lb 1.50-1.80, Hispi 20-lb 2.40-2.60, Primo bunches 3.00-3.20. Leeks—Per pound 0.15-0.16. Tomatoes—Tray 12-lb 4.00-4.20. Cucumbers—Tray 2.20-3.00. Cauliflowers—Dozen, Kent 3.00-3.50, Lincoln 3.20-3.40. Spring Onions—Bunch 0.09-0.10. Radishes—Bunched 0.12-0.14. Asparagus—Per pound 1.10-1.80. Celery—0.05-5.50. Watercress—20s 2.60-2.80, Ire Pack 20s 3.40-3.50. Salad—Cress 10s 1.00-1.10.

Imported produce: Satsumas—Uruguayan 10-kilo 7.50-9.00. Tangerines—Jaffa 6.20-6.60. Topaz—Jaffa 4.90-5.85.

NEW YORK, May 30

Precious metals were firmer early but faded on the close on trade selling with gold fractionally lower and silver fractionally higher, reports Heinold Commodities. Heating oil was strong on news of further attacks on Gulf shipping, news of Iran lowering its crude prices to compensate for higher insurance costs had a bearish impact on the market which closed moderately higher. Sugar closed slightly lower following a successful EEC tender. Coffee prices rose on short-covering and profit-taking as the trade discounted rumours of quota suspension. Cocoa prices were firm on continued concern that this year's reduced output in combination with some apparent quality problems will keep prices firm to strong in the months ahead. Cotton prices came under heavy selling pressure on forecast of rain in the Texas high plains. Soyabean and grain markets finished mixed after recovering from a major early drop brought about by professional and commission house selling. Trade short-covering as well as bargain hunting in the soya complex brought most prices to about unchanged levels. Copper prices were lower despite constructive statistics, the German metal-workers' strike and arbitrage selling provided most of the downside pressure. Aluminium prices were weak on slow demand and trade hedging.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
June	62.65	62.40	62.40	63.70
July	63.15	64.40	63.00	64.35
Sept	64.00	65.30	63.95	65.25
Dec	65.30	66.60	65.25	66.60
Jan	65.90	—	—	67.10
March	66.90	—	—	68.19
May	67.90	—	—	69.10
July	68.90	—	—	70.10
Sept	69.90	—	—	71.10

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
July	2670	2693	2663	2648
Sept	2685	2706	2675	2671
Dec	2535	2535	2510	2502
March	2470	2470	2452	2445
May	2480	—	—	2440
July	2480	—	—	2445

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
July	144.24	44.35	43.00	41.90
Sept	144.59	45.25	43.75	43.27
Dec	144.95	45.20	43.50	43.17
March	144.25	44.25	42.75	42.05
May	144.00	44.00	41.00	42.25
July	143.38	43.50	40.50	41.95
Sept	142.75	40.00	40.00	41.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
June	63.50	—	—	64.05
July	64.10	64.80	63.80	64.75
August	64.85	—	—	—
Sept	65.55	66.15	65.15	66.15
Dec	67.60	68.20	67.30	68.20
Jan	68.30	—	—	68.85
March	69.65	70.30	69.40	70.20
May	71.00	71.70	70.85	71.60
July	72.50	—	—	73.00
Sept	73.90	74.65	74.08	74.40

COTTON 50,000 lb; cents/lb

	Close	High	Low	Prev
July	84.96	85.92	84.93	86.11
Oct	81.14	81.95	81.11	82.02
Dec	77.69	78.10	77.60	78.34
March	78.85	78.20	78.70	79.35
May	73.30	—	—	79.90
July	79.41	79.82	79.51	80.01
Oct	77.30	77.60	77.50	77.65

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	30.77	30.92	30.60	30.71
August	30.87	31.00	30.73	30.81
Sept	30.94	31.08	30.82	30.27
Oct	30.94	21.05	30.88	30.60
Nov	30.95	31.05	30.88	30.90
Dec	30.94	30.07	30.60	30.90
Jan	30.84	30.95	30.84	30.87
Feb	30.90	30.90	30.90	30.74
March	30.93	30.93	30.93	30.74

GOLD 100 troy oz $/troy oz

	Close	High	Low	Prev
June	384.5	387.4	383.0	385.2
July	388.0	—	—	388.7
Aug	391.6	394.5	390.5	392.3
Oct	399.9	402.5	398.5	400.4
Dec	408.4	411.5	407.5	408.9
Feb	417.3	420.5	416.0	417.7
April	426.4	429.0	426.3	426.6
June	436.1	439.0	436.0	436.2
Aug	446.2	447.5	447.5	446.2
Oct	456.2	457.3	457.3	456.1
Dec	466.9	—	—	466.4
Feb	477.2	—	—	476.6
April	487.7	—	—	—

HEATING OIL 42,000 US gallons, cents/US gallon

	Latest	High	Low	Prev
June	80.75	81.35	79.85	80.55
July	81.35	82.10	80.80	81.37
August	82.25	82.90	81.50	82.30
Sept	83.40	83.95	83.10	83.20
Oct	84.35	84.80	84.10	84.10
Nov	85.35	85.35	85.10	85.35
Dec	86.00	86.15	85.90	86.05
Jan	86.40	86.50	86.40	86.50
Feb	80.50	86.50	86.50	86.50
March	83.00	—	—	83.35

ORANGE JUICE 15,000 lb; cents/lb

	Close	High	Low	Prev
July	180.25	83.00	80.20	81.20
Sept	180.00	82.20	79.80	81.00
Nov	179.15	79.90	79.15	80.00
Jan	179.40	80.50	79.00	80.25
March	179.00	79.00	79.00	79.75
Sept	178.00	—	—	79.95

PLATINUM 50 troy oz; $/troy oz

	Close	High	Low	Prev
June	392.0	391.0	392.5	393.1
July	396.3	398.5	395.5	396.8
Oct	406.3	408.5	406.0	406.4
Jan	415.9	417.0	414.0	416.1
April	423.4	427.5	424.0	423.7
July	433.9	434.0	434.0	433.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
June	917.0	920.0	914.0	914.2
July	925.0	933.5	920.0	923.0
August	934.6	—	—	—
Sept	944.5	953.0	940.0	942.4
Dec	974.4	982.0	970.0	972.0
Jan	984.9	—	—	982.2
March	1006.2	1014.0	—	1003.2
May	—	—	—	[illegible]
July	1001.5	1059.0	1048.0	1047.7
Sept	1076.1	1077.0	1077.0	1071.7

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
July	0.75	5.76	5.67	5.72
Sept	0.09	6.00	5.92	5.93
Oct	6.19	6.21	6.13	6.15
Jan	9.78	5.79	6.75	6.73
March	7.36	7.37	7.20	7.32
May	7.01	7.64	7.57	7.59
July	7.88	7.93	7.07	7.07
Sept	9.19	8.15	9.13	8.15
Oct	8.40	8.42	9.33	8.38

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	65.17	65.42	65.12	65.12
August	62.90	63.15	62.60	62.90
Oct	62.63	62.90	62.60	62.60
Dec	64.07	64.22	63.97	63.97
Feb	64.27	64.40	64.20	64.27
April	65.10	65.20	65.00	65.10

LIVE HOGS 30,000lb, cents/lb

	Close	High	Low	Prev
June	52.10	52.25	51.90	51.85
July	56.37	56.45	56.15	56.10
August	56.95	57.10	56.75	56.72
Oct	55.57	55.62	55.10	55.10
Dec	55.97	55.75	55.05	55.00
Feb	56.40	56.40	56.00	56.07
April	51.75	51.90	51.50	51.42
June	54.37	54.70	54.35	54.37
July	54.95	54.95	54.95	54.57

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
July	353.6	354.2	351.0	353.4
Sept	328.4	328.4	325.3	328.2
Dec	305.0	305.0	302.2	305.0
March	313.4	313.8	311.2	314.3
May	317.4	317.4	315.2	318.4
July	319.4	319.4	318.4	320.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	65.12	65.25	63.57	63.32
August	63.50	63.67	62.25	62.02
Feb	74.00	74.25	73.50	73.75
March	73.22	73.40	72.75	72.95
May	74.55	74.60	74.15	74.30
July	75.86	75.85	75.10	75.60
August	74.40	74.40	74.40	73.80

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
July	856.0	867.0	850.0	861.0
August	760.4	862.0	847.0	859.4
Sept	791.2	791.4	780.0	786.2
Nov	744.4	745.0	736.0	740.4
Jan	755.4	755.4	747.0	750.4
March	766.4	766.4	757.4	761.0
May	775.0	775.6	768.0	759.0
July	779.4	779.4	770.0	773.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	200.1	201.2	197.8	200.4
August	202.2	203.2	—	202.8
Sept	199.7	200.1	197.0	198.3
Oct	189.8	190.0	187.0	188.7
Dec	191.2	192.0	188.8	189.8
Jan	192.7	193.0	191.0	191.0
March	193.6	—	—	193.1
May	196.6	—	—	194.5

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
July	37.78	37.50	36.80	37.40
August	36.30	36.45	35.80	36.37
Sept	34.62	34.70	33.75	34.35
Oct	31.80	31.88	30.90	31.35
Dec	29.90	30.03	29.25	29.90
Jan	29.50	29.60	29.20	29.55
March	29.20	29.60	29.20	29.17
May	29.18	—	—	29.17
July	29.20	—	—	29.33

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
July	361.4	365.2	361.2	364.4
Sept	367.1	369.4	365.6	368.0
Dec	379.4	380.4	376.4	378.6
March	384.2	385.2	382.2	385.0
July	383.0	—	—	383.0

SPOT PRICES — [illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling mixed

The dollar showed small mixed changes in modorate foreign exchange trading ahead of the Ascension Day holiday in parts of Europe today. Tho breakdown in talks between West German employers and tho motalworkers' union gave the dollar an initial boost against the D-mark, but news that Bolivia is to temporarily suspend foreign debt payments to private banks sooo reversed this trend. There was littlo reaction to another record U.S. trado deficit in April of $12.19bn, whilo tho market remained genorally unsottled on many conflictiog factors with regard to tho future trend in U.S. interest rates.

The dollar rose to DM 2.7340 from DM 2.73 against tho D-mark, and to SwFr 2.2615 from SwFr 2.2570 against the Swiss franc, but fell to FFr 8.3975 from FFr 8.4125 in terms of tho *French franc, and* to Y231.40 from Y231.70 against tho *Japanese yen.*

On Bank of England figures the dollar's trade-weighted indox fell to 131.0 from 131.3.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3805. April average 1.4226. Trade-weighted index 79.5, unchanged from noon, against 79.7 at the opening, 79.6 at the previous close, and 83.1 six months ago.

Sterling traded nervously within a narrow range following disappointment at the UK April trade deficit and concern at tho growing bitterness surrounding the minors' strike. Expoctations of poor mooey supply figures next Tuesday, and a possible riso in clearing bank base rates were stroog background factor as the pound foll 10 points to $1.3845-$1.3855, after opening ot $1.3830-$1.3840. Storling rose to DM 3.79 from DM 3.7875 aod SwFr 3.1350 from SwFr 3.13, but declined to FFr 11.6275 from FFr 11.6550, and Y320.75 from Y321.25.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. April average 2.6425. Trade-weighted index 125.5 against 125.0 six months ago.

The D-mark gained grouod against most currenclos at the Frankfurt fixiog, including the dollar and sterling. Tho Bundesbank sold $9.85m wben the dollor was fixed at DM 2.7333 compared with DM 2.7381. Storling foll to DM 3.7820 from DM 3.7850, and the Swiss franc to DM 1.2106 from DM 1.2124. The dollar woakoned oo news that Bolivia bad suspeoded payments on its foreign debt, but was prevented from falling too far by the breakdown in talks between Gorman employers and tho metalworkers' union. Within the EMS tho French franc rose to DM 32.558 por 100 francs from DM 32.510, while tho Dutch guilder declinod to DM 88.720 por 100 guilders from DM 88.725.

BELGIAN FRANC — Tradiog range against the dollar in 1984 is 57.92 to 52.24. April average 53.98. Trade-weighted index 89.9 against 90.0 six mooths ago.

Tho Belgian franc was firmer ogainst the dollar and sterling ot the Brussels fixing, but was mixed in terms of other major currencies including members of tho EMS. The Bolgian National Bank did not interveoe to support the franc in tho week ended Moy 28, the oigbth consecutive week that tho central bank has not givon help to its currency. Interest rates havo been stable, and Belgium's official reserves rose by BFr 339.6m to BFr 78.8bn during the week. At the samo time Belgium repaid BFr 10.7bn of its debt to tho European Co-operation Fund. Tho dollar fell to BFr 55.7175 from BFr 55.86 ot the fixing, and sterling to BFr 77.07 from BFr 77.1825. Within the EMS tho D-mark roso to BFr 20.3975 from BFr 20.3965, and tho Dutch guildor to BFr 18.1110 from BFr 18.1005, while tho French franc declined to BFr 6.6230 from BFr 6.6270.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.5804	+1.51	+1.45	±1.5447
Danish Krone ...	8.14104	8.21569	+0.92	+0.85	±1.6425
German D-Mark	2.24184	2.23562	−0.28	−0.34	±1.0642
French Franc ...	6.87456	6.85835	−0.24	−0.30	±1.4062
Dutch Guilder ...	2.52595	2.52018	−0.23	−0.29	±1.4964
Irish Punt	0.72569	0.729214	+0.49	+0.43	±1.6689
Italian Lira	1403.49	1383.13	−1.45	−1.45	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

£ in New York

	May 30	Prev. close
Spot	$1.3870-3880	$1.3040-3850
1 month	0.08-0.32 dis	0.03-0.25 dis
3 months	0.78-0.82 dis	0.78-0.82 dis
12 months	3.50-3.60 dis	3.60-3.60 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

May 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3800-1.3875	1.3845-1.3855	0.27-0.32c dis	−2.55	0.47-0.52dis	−1.43
Canada	1.7875-1.7950	1.7915-1.7925	1.29-0.37c dis	−2.21	0.86-0.94dis	−2.01
Nethlnd.	4.25-4.28	4.26½-4.27½	1½-⅞c pm	2.81	3⅞-3½pm	3.45
Belgium	76.90-77.50	77.15-77.25	18-23c dis	−3.19	43-51dis	−2.43
Denmark	13.86-13.94	13.91½-13.92½	1½-2½ore dis	−1.51	3½-4½dis	−1.15
Ireland	1.2316-1.2360	1.2346-1.2365	0.29-0.38p dis	−3.25	0.72-0.92dis	−2.65
W. Ger.	3.77-3.79½	3.78½-3.79½	1½-⅞pf pm	3.17	3½-3⅛pm	3.50
Portugal	193.50-195.00	194.00-194.50	115-255c dis	−11.43	365-770dis	−11.58
Spain	212.00-213.25	212.50-212.70	125-150c dis	−7.76	373-423	−7.49
Italy	2,332-2,342	2,337½-2,339½	11¼-13½lire dis	−6.32	34-36½dis	−6.03
Norway	10.78-10.81	10.78-10.79	2¾-3½ore dis	−3.62	7¾-8⅝dis	−2.97
France	11.58-11.66	11.62½-11.63½	3½-3⅞c dis	−3.65	10⅝-12⅛dis	−3.96
Sweden	11.13-11.19½	11.18½-11.19½	1½-2½ore dis	−1.74	3¼-4½dis	−1.34
Japan	319½-321½	320¼-321¼	0.64-0.54y pm	2.21	2.64-2.54pm	3.23
Austria	26.50-26.65	26.55-26.60	4⅛-3⅛gro pm	1.83	19⅛-16⅛pm	2.62
Switz.	3.11½-3.14	3.13-3.14	1½-1⅛c pm	5.02	4⅞-4⅝pm	6.50

Belgian rate is for convertible francs. Financial franc 78.30-78.40. Six-month forward dollar 1.54-1.59c dis. 12-month 3.42-3.52c dis.

THE DOLLAR SPOT AND FORWARD

May 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3800-1.3875	1.3845-1.3855	0.27-0.32c dis	−2.65	0.47-0.52dis	−1.43
Ireland†	1.1180-1.1240	1.1210-1.1220	0.09-0.04c pm	0.69	0.20-0.10pm	0.53
Canada	1.2940-1.2955	1.2940-1.2945	0.04-0.02c pm	0.28	0.08-0.05pm	0.20
Nethlnd.	3.0780-3.0895	3.0805-3.0825	1.40-1.30c pm	5.28	4.40-4.25pm	5.62
Belgium	55.60-55.85	55.75-55.77	3½-5c dis	−0.91	1-4dis	−0.18
Denmark	10.03-10.05½	10.05-10.05½	1¼-1⅛ore pm	1.80	4.60-4.10pm	1.74
W. Ger.	2.7250-2.7480	2.7335-2.7345*	1.27-1.22pf pm	5.47	3.92-3.87pm	5.70
Portugal	140.15-140.80	140.20-140.70	60-160c dis	−9.40	180-480dis	−9.40
Spain	153.35-154.00	153.90-154.00	65-85c dis	−6.47	175-225dis	−5.21
Italy	1,687-1,691	1,688½-1,689½	5-5½lire dis	−3.73	10-16dis	−3.67
Norway	7.7820-7.7950	7.7850-7.7900	1.00-1.50ore dis	−1.93	1.60-2.10dis	−0.95
France	8.3700-8.4575	8.3950-8.4000	0.75-1.05c dis	−1.29	3.10-3.60dis	−1.60
Sweden	8.0750-8.0850	8.0800-8.0850	¼ore pm-¼dis	—	1½-1pm	0.62
Japan	230.80-232.00	231.35-231.45	0.92-0.88y pm	4.70	3.18-3.13pm	5.46
Austria	18.18½-18.26	19.24-19.25	7.20-6.70gro pm	4.35	24.25-22.25pm	4.85
Switz.	2.2500-2.2700	2.2610-2.2620	1.43-1.33c pm	7.34	4.83-4.28pm	7.68

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 56.55-56.60.
* The closing rate on May 29 should have read 2.7295-2.7305.

OTHER CURRENCIES

May. 30	£	$		£ Note Rates
Argentina Peso	08.96-60.10	43.33-43.39	Austria	00.06-00.85
Australia Dollar	1.5376-1.0396	1.1105-1.1130	Belgium	77.75-78.60
Brazil Cruzeiro	2,178.42,191.1	1,574-1,582	Denmark	13.83-13.87
Finland Markka	8.0180-8.0410	5.7950-5.8000	France	11.57-11.69
Greek Drachma	148.60-150.20	108.10-108.60	Germany	3.76½-3.80½
Hong Kong Dollar	10.80¾-10.81¾	7.8150-7.8160	Italy	2300-2360
Iran Rial	122.20*	88.50*	Japan	316-323
KuwaitDinar(KD)	0.4100-0.4105	0.29585-0.29595	Netherlands	4.24½-4.28½
Luxembourg Fr.	77.15-77.25	55.75-55.77	Norway	10.74-10.86
Malaysia Dollar	3.1990-3.2040	2.3115-2.3130	Portugal	189-195
New Zealand Dlr.	2.1340-2.1390	1.5445-1.5455	Spain	204½-214½
Saudi Arab. Riyal	4.8785-4.8840	3.5280-3.5810	Sweden	11.13-11.24
Singapore Dollar	2.8100-2.9160	2.1035-2.1055	Switzerland	3.10½-3.14½
Sth African Rand	1.7770-1.7805	1.2850-1.2855	United States	1.37½-1.39½
U.A.E. Dirham	5.0890-5.0945	3.6720-3.6730	Yugoslavia	179-186

* Selling rates.

CURRENCY MOVEMENTS

May. 30	Bank of England Index	Morgan Guaranty Changes%
Sterling	79.6	−11.2
U.S. dollar	131.0	+19.6
Canadian dollar	88.7	−3.2
Austrian schilling	115.8	+4.1
Belgian franc	89.8	−11.2
Danish Kroner	78.0	−6.4
Deutsche mark	125.0	+8.0
Swiss franc	146.0	+10.6
Guilder	114.8	+4.6
French franc	66.3	−10.0
Lira	48.3	−15.8
Yen	158.1	+14.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.752844	0.592081
U.S. $	9	1.04156	0.818907
Canadian $	11.60	•	1.06008
Austria Sch.	4½	20.0058	15.7250
Belgian Fr.	11	58.0351	45.5804
Danish Kr.	7	10.4664	8.21509
D'mark	4½	2.84690	2.23563
Guilder	5	3.20896	2.52919
French Fr.	9½	10.9193	6.85835
Lira	16	1759.98	1383.13
Yen	5	241.538	189.413
Norwgn Kr.	8	8.11107	6.37724
Spanish Pta.	—	160.541	126.825
Swedish Kr.	8½	8.40645	6.61472
Swiss Fr.	4	2.35805	1.84708
Greek Drch	20½	118.738	88.4174

* CS/SDR rate for May 29: 1.34754.

EXCHANGE CROSS RATES

May 30	Pound Sterling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.385	3.790	320.5	11.665	3.135	4.270	2336.	1.796	77.20
U.S. Dollar	0.722	1.	2.734	231.4	8.395	2.262	3.082	1686.	1.294	55.76
Deutschemark	0.264	0.366	1.	84.63	3.068	0.827	1.127	617.0	0.473	20.37
Japanese Yen 1,000	3.116	4.316	11.82	1000.	36.25	9.774	13.31	7281.	5.587	240.7
French Franc 10	0.860	1.191	3.260	275.8	10.	2.696	3.670	2011.	1.541	66.39
Swiss Franc	0.318	0.442	1.209	102.3	3.709	1.	1.362	745.9	0.572	24.63
Dutch Guilder	0.234	0.324	0.888	75.12	2.723	0.734	1.	547.7	0.420	18.08
Italian Lira 1,000	0.428	0.593	1.621	137.2	4.973	1.341	1.826	1000.	0.766	33.01
Canadian Dollar	0.558	0.773	2.110	179.0	6.489	1.748	2.383	1305.	1.	43.08
Belgian Franc 100	1.295	1.794	4.900	415.5	15.00	4.061	5.531	3030.	2.321	100.0

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	6⅛-6¾	10¼-10⅛	9⅞-10⅜	5⅛-5⅜	1⅛-1⅜	5⅛-5⅜	12¼-16½	10½-11½	11¼-11¾	11¼-11¾	6¾-5⅞	7-7½
7 days' notice	8⅞-7⅛	10⅛-10¾	10¼-10⅝	5⅛-5⅜	6¾-2⅝	5¾-6⅛	16-18¼	14½-16½	11¾-16¼	11⅝-11⅞	0⅞-6⅞	8¾-9¼
Month	8⅞-8⅞	10⅞-11⅛	10⅛-10⅞	5⅞-6	3⅞-0⅞	0⅞-6⅜	12-12¼	14⅛-16	11⅝-10¼	11⅝-11⅞	0⅞-6⅞	0¾-10¼
Three months	0⅝-9¾	11⅝-11⅞	11⅝-11⅞	6⅛-6⅜	4-4⅛	0⅞-6⅞	13¼-13⅛	10-15½	11¾-10¼	11⅞-10⅛	0⅜-6⅛	10-10⅛
Six months	10⅞-10⅞	12⅜-12⅝	10⅞-12⅜	0⅜-0½	4⅜-4⅛	6¼-0⅝	14¼-14⅛	16-18⅜	12⅛ 13	12-12¼	0⅝-0⅛	10⅛-11
One year	10¾-10⅞	13⅞-13⅞	13⅞-13¼	9⅞ 7⅞	4⅝-4¾	6¾-0⅞	16-16½	17-17⅛	13¼-13¾	18⅛-18⅜	0⅞-0⅞	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 10⅞-10⅞ per cent; seven days 10⅞-10⅞ per cent; one month 10⅞-11⅛ per cent; three months 11⅛-11¾ per cent; six months 12⅜-12½ per cent; one year 13⅜-13¾ per cent. Long-term Eurodollars two years 14-14¼ per cent; three years 14¼-14½ per cent; four years 14⅜-14⅝ per cent; five years 14½-14¾ per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

MONEY MARKETS

London rates little changed

Interest rates wore little changed oo tho Londoo money market yestorday, apart from a firming of longer term rates. The very short end of the market was kept easy by further romfortable day-to-day credit conditions on the London mooey market.

The Bank of England forecast another flat day, with major factors roughly in balance. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Fridayo tender drained £256m, whilo bank balances below target absorbed another £50m. These were offset by Exchequer transactions adding £310m to liquidity, and a fall in the note circulation of £10m.

> UK clearing banks' base lending rate 9-9¼ per cent (since May 10 and 11)

There was no intervention in the market by the authorities througbont the day.

Three-month interbank money eased to 9⅝ per cent from 9¹¹⁄₁₆ per cent, and discount houses buying rates for three-month bank bills were unchanged at 9⅛ per cent.

In Frankfurt the German Bundesbank left interest rates unchanged ot its regular council meeting. This was expected because of the improvemont of the D-mark against the dollar recently, an easing of the upward pressure on U.S. rates, and nervousness caused by growing disruption to German industry caused by the motalworkers strikes. Call mooey remeined around 5.55 per cent in tho money market in romfortable credit ronditions reflecting an early build up of reserve assets by tho banks in May. This was the result of earlior expectations that interest rates would rise because of the docline of the D-mark, and there is still a general anticipation in the market that the discount and Lombard rates will be increased fairly soon to bring them more into line with competitive retes abroad, particularly the U.S.

Lombard borrowing by the banks was beavy oo Tuesday at DM 12.5bn, compared with DM 4.9bn on Mooday, but this was not thought to reflect any unduo end of month pressure oo the banks.

After the council meeting the Bundosbank invited tendors at a minimum of 5.3 per cent for 28-day securities repurchase agreemonts with the banks. Payments will bo made on Monday aod are seen as replacing tho DM 7.5bn lont at a rato of 5.55 per cent expiring on Monday under a similar agreement.

In New York tho Fodoral Reservo injected liquidity into the New York banking system by $2bn, customer repurchaso agroemonts whon Federal funds wore trading at 10¹¹⁄₁₆ por cent.

MONEY RATES

May 30	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-0.8	12⅛	1-2	0⅜-6⅞	0.03125	10¼-10⅞	7.95	11⅛-11⅛
One month	5.85-0.80	12⅛-12⅞	3⅛-3⅞	0⅞-0⅞	0.28125	10⅝-16¾	11⅝-11⅞	11¾-12
Two months	0.85-6.00	18⅛-18¼	—	—	—	—	—	12⅛-12⅜
Three months	6.10-6.25	12¼-18⅝	3⅞-4	0⅞-6⅞	6.28125	10½-10⅞	12-12¼	12¼-12½
Six months	6.30-6.45	18½-18⅝	—	0⅝-6½	—	—	12-10¼	10¾-13
Lombard	0.6	—	—	—	—	—	—	—
Intervention	—	11¾	—	6⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

May 30 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6-16	6-6⅛	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	7⅜-7¾	[illegible]	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	0⅞-7⅛	7¾-8⅛	[illegible]	[illegible]	—	—	—	—	—
One month	8⅞ 8⅞	8⅞-8⅝	8⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9⅛
Two months	9⅛ 9⅛	8⅞-8¾	9⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9¹¹⁄₁₆
Three months	9½ 8⅞	9⅞ 8⅞	9⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10⅛
Six months	10⅞-10⅞	10⅛ 10⅝	10¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10⅜
Nine months	10⅞ 10⅞	10⅞-10⅝	10⅜	[illegible]	[illegible]	—	—	—	—	—
One year	10⅛-10⅝	10⅝-10⅞	10⅛	[illegible]	[illegible]	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	0⅜-9⅛	—	8⅛	[illegible]	[illegible]	[illegible]
Two months	10⅛-8⅞	—	9¼	[illegible]	[illegible]	[illegible]
Three months	10¼-10	—	9¾	[illegible]	[illegible]	[illegible]
Six months	10⅝-10	—	10⅜	[illegible]	[illegible]	[illegible]
Nine months	11⅛-10⅞	—	10⅝	[illegible]	[illegible]	[illegible]
One year	11⅛-10⅞	—	10⅞	[illegible]	[illegible]	[illegible]
Two years	—	11¼	—	—	—	—
Three years	—	11⅛	—	—	—	—
Four years	—	11¾	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period April 4 to May 1 1984 (inclusive): 8.934 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9 per cent from May 1984. London and Scottish Clearing Bank Rates for lending 9-9¼ per cent. London Deposit Rate for sums at seven days' notice 5⅞-6 per cent. Treasury Bills: Average tender rate of discount 8.903 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 9 per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-nine months 10¼ per cent; nine-12 months 11 per cent. Under £100,000 9 per cent from May 31. Deposit held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	12½
Broker loan rate	11¾
Fed funds	10½
Fed funds at intervention	10⅝
Treasury Bills	
One month	9.20
Two month	9.56
Three month	9.77
Six month	10.66
One year	11.02
Treasury Bonds	
Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. May 30)

3 months U.S. dollars	
bid 11 5/8	offer 11 3/4
6 months U.S. dollars	
bid 12 3/8	offer 12 1/2

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Prices tumble

Prices tumbled on tho London International Financial Futures Exchange yestorday, with tho new FTSE 100 index particularly weak as values fell sharply on the London equity market and the Financial Timos Industrial Ordinary index recorded its second ever largest fall. The financial markets were concerned about several depressing factors including the UK April trade figures announced Tuesday, and growing nervousness about the miners' strike.

Another weak opening to the U.S. bond market weighed on all tho financial futures, while Eurodollars were particularly concerned about tho early firmness of the U.S. federal funds overnight rate and last night's auction of five-year U.S. Treasury notes, following the recent poor reception for auctions of Treasury paper.

Eurodollars for Septomber delivery opened ot 86.93, near the day's peak of 86.94, and closed at the day's low of 86.78, compared with 87.01 previously.

June remained the dominant month for gilt futures. Tho contract opened at 101-26, and closed at 101-27, compored with the previous settlement of 102-02, after falls of up to ½ point in tho cash market.

September sterling deposit futures closed above the day's low of 89.22 at 89.25, after opening at 89.31, compared with Tuesday's close of 89.35.

News that Bolivia is to temporarily suspend debt payments to foreign banks was another major factor depressing all contracts, and tho market was also unsettled by tho fourth consecutive record U.S. deficit of $12.19bn in April.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	88.31	88.34	88.29	88.34
Sept	86.78	86.94	86.78	87.01
Dec	86.07	86.23	86.07	86.38
March	85.65	85.82	85.65	85.96
June	85.40	—	—	85.70

Volume 5,510 (4,304)
Previous day's open int 15,916 (15,441)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.28	90.31	90.27	90.37
Sept	89.25	89.31	89.22	89.35
Dec	88.72	88.77	88.70	88.79
March*	88.27	88.28	88.25	88.33
June*	88.00	—	—	88.06

Volume 1,793 (790)
Previous day's open int 8,540 (8,521)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	101-27	102-05	101-21	102-02
Sept	100-15	101-06	100-14	101-06
Dec	100-02	100-12	100-02	100-27
March	99-26	—	—	100-21
June	99-22	—	—	100-17

Volume 5,731 (4,515)
Previous day's open int 6,303 (7,671)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 8 to 18 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.3862	1.3877	1.3840	1.3856
Sept	1.3934	1.3934	1.3915	1.3930
Dec	1.4014	—	—	1.4010

Volume 346 (683)
Previous day's open int 4,698 (4,168)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3668	0.3669	0.3664	0.3663
Sept	0.3721	0.3721	0.3716	0.3716

Volume 200 (39)
Previous day's open int 360 (366)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4438	0.4445	0.4438	0.4441
Sept	0.4528	0.4528	0.4525	0.4525

Volume 107 (nil)
Previous day's open int 1,162 (1,164)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4330	0.4333	0.4328	0.4324
Sept	0.4389	0.4389	0.4387	0.4383

Volume 192 (5)
Previous day's open int 367 (365)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	102.35	104.20	102.35	104.60
Sept	101.60	107.85	101.60	103.90
Dec	102.60	103.90	102.60	105.15

Volume 966 (343)
Previous day's open int 1,148 (1,170)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	60-02	60-11	60-01	60-13
Sept	59-10	59-16	59-08	59-22
Dec	58-24	59-01	58-23	59-06
March	58-13	58-21	58-12	58-26
June	58-01	58-10	58-00	58-16
Sept	57-25	58-01	57-25	58-08
Dec	57-19	57-28	57-19	58-02
March	57-14	57-14	57-14	57-29

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.10	90.20	90.11	90.14
Sept	88.48	88.52	88.43	88.53
Dec	87.73	87.86	87.81	87.89
March	87.49	87.51	87.48	87.55
June	87.24	87.24	87.20	87.31
Sept	87.06	—	87.06	87.13
Dec	86.90	86.92	86.90	86.97
March	88.77	—	86.77	86.83

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	88.39	88.43	88.38	88.45
Sept	86.93	87.02	86.93	87.09
Dec	86.17	86.24	86.17	86.36
March	85.75	85.80	85.75	85.94

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

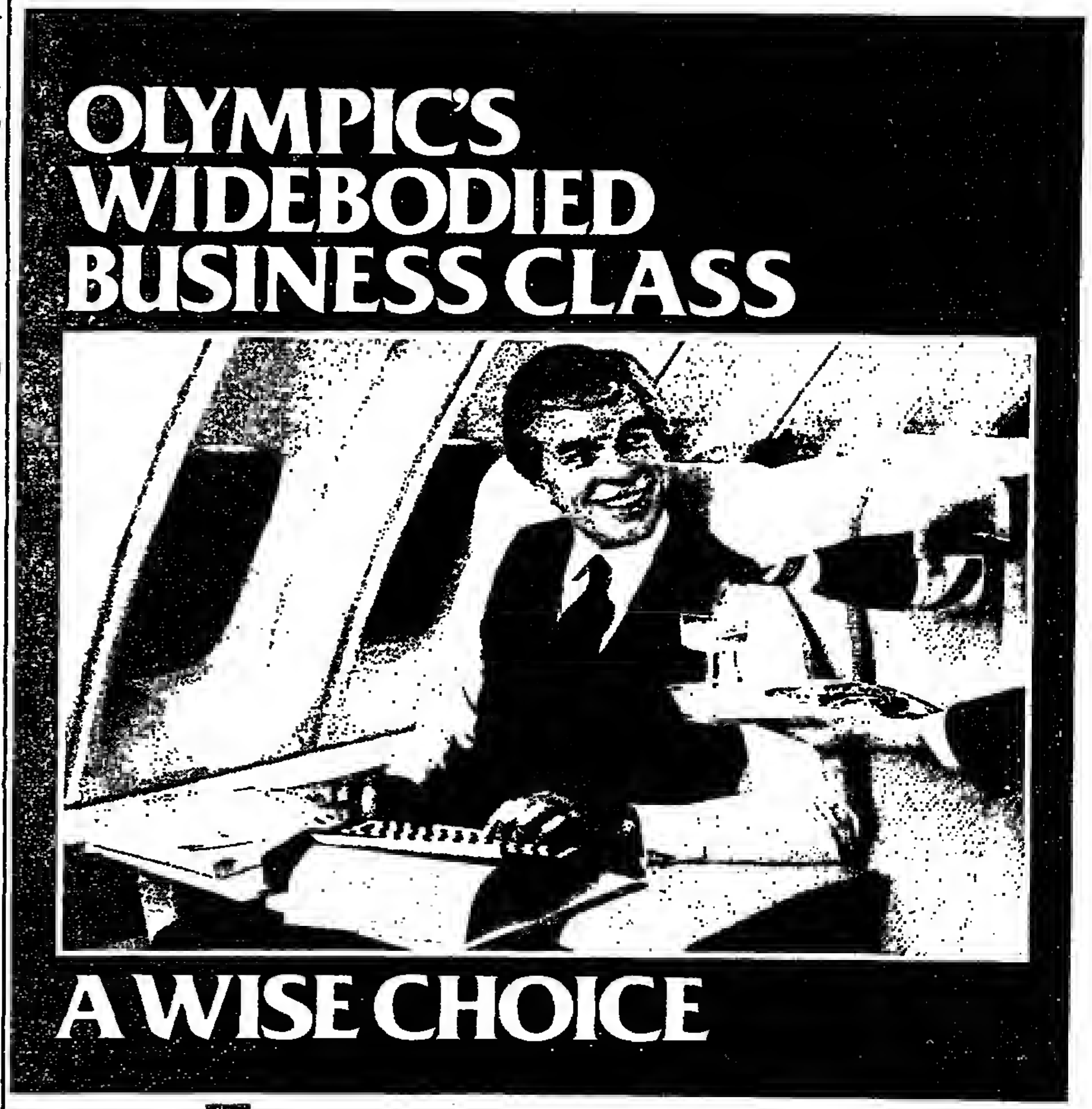
	Latest	High	Low	Prev
June	87.99	88.02	87.96	88.02
Sept	86.48	86.57	86.45	86.61
Dec	85.70	85.79	85.70	85.86
March	85.28	85.40	85.28	85.44
June	84.97	85.01	84.96	85.14

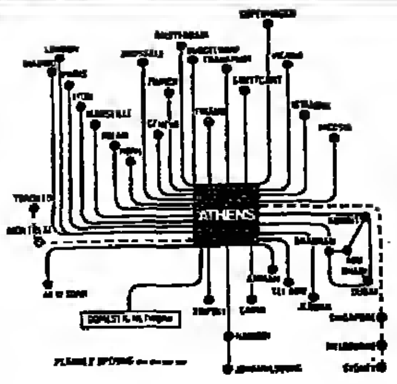
STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	1.3870	1.3885	1.3850	1.3890
Sept	1.3955	1.3950	1.3920	1.3955
Dec	1.4025	1.4045	1.4010	1.4040
March	1.4120	1.4130	1.4105	1.4130

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	64-02	64-13	64-02	64-16
Sept	62-26	63-03	62-26	63-06
Dec	61-27	62-03	61-27	62-06
March	61-00	61-05	61-00	61-11
June	—	—	—	60-21
Sept	—	—	—	60-04
Dec	—	—	—	59-23





announcement is not an invitation to enter into or to offer to into any agreement for the acquisition or disposal of security. The Exchange Offer is made solely by Prospectus and the related Letter of Transmittal is not being made to, nor will tenders be accepted or on behalf of, holders of Debentures in any isdiction in which the Exchange Offer would not be in compliance with the securities or Blue Sky laws of such jurisdiction.

Notice of Offer to Exchange
Common Stock, par value $.10 per share, of

BLOCKER ENERGY CORPORATION

for all of the outstanding
8¼% Convertible Subordinated Debentures Due 1995 of

BLOCKER ENERGY INTERNATIONAL N.V.

Blocker Energy Corporation ("Blocker") announces that Blocker Energy International N.V. ("International"), a wholly owned subsidiary of Blocker, is offering upon the terms and subject to the conditions set forth in the Prospectus dated May 24, 1984 (the "Prospectus") and in the accompanying Letter of Transmittal (which together constitute the "Exchange Offer") to all holders of the 8¼% Convertible Subordinated Debentures Due 1995 of International (the "Debentures") to exchange shares of the Common Stock, par value $.10 per share, of Blocker ("Common Stock") for all of the $11,932,000 principal amount of Debentures outstanding on the basis of

201 SHARES OF COMMON STOCK FOR EACH
$1,000 PRINCIPAL AMOUNT OF DEBENTURES.

No payment will be made with respect to tendered and accepted Debentures for interest which has accrued, including interest due and payable on July 1, 1983 and July 1, 1984. Debentures will be accepted only if tendered with all coupons for interest payable on or subsequent to July 1, 1983.

THE EXCHANGE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JUNE 26, 1984, UNLESS EXTENDED BY INTERNATIONAL. THE WITHDRAWAL DEADLINE IS 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JUNE 15, 1984.

International reserves the right, at any time and from time to time, to extend the Exchange Offer by giving oral or written notice of such extension to Banque Internationale a Luxembourg, S.A. (the "Exchange Agent"). International will accept Debentures for exchange by giving oral or written notice to the Exchange Agent.

The Exchange Offer is an integral part of the comprehensive plan to restructure the debt of Blocker. Completion of this restructuring plan is conditioned on the acceptance of the Exchange Offer by the holders of at least 75% of the aggregate principal amount of Debentures outstanding. Accordingly, the Exchange Offer is conditioned on, among other things, the valid tender of at least $8,949,000 principal amount of Debentures. If less than 75% of the Debentures are tendered for exchange and Blocker is not able to complete the debt restructuring, it is likely that Blocker will not have sufficient cash flow available to meet its obligations as they mature. In such event, International would not have sufficient cash flow to meet its obligations under the Debentures, including the interest payments due July 1, 1983 and July 1, 1984. If Blocker is unable to complete the debt restructuring, it probably will be forced to liquidate or commence operating in a reorganization under U.S. or other applicable bankruptcy laws. Under the subordination provisions contained in the indenture for the Debentures, in the event of the dissolution or liquidation of International and Blocker, holders of Debentures would receive nothing until after the payment in full of substantially all other indebtedness of International and of Blocker.

All tenders will be irrevocable, except that Debentures tendered may be withdrawn prior to 12:00 Midnight, New York City time, on June 18, 1984. Unless theretofore accepted for exchange, Debentures tendered may also be withdrawn after July 24, 1984, and, in the event another person makes a tender offer for any Debentures, at any time until the expiration of seven business days from the date such other person's tender offer is first published, sent or given to holders of Debentures.

To be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent at its address set forth in the Prospectus. Any notice of withdrawal must specify the name of the person having deposited the Debentures to be withdrawn and the principal amount of Debentures to be withdrawn and (if the tendered Debentures have been delivered or otherwise identified to the Exchange Agent) the serial numbers shown on the Debentures to be withdrawn and must be accompanied by any receipt received by such person from the Exchange Agent in acknowledgement of any Debentures tendered.

Mr. John R. Blocker, a Managing Director of International and Chairman of the Board of Blocker, and Mr. Corbett U. Allen, Jr., Senior Vice President and Chief Financial Officer of Blocker, will be available to meet with holders of Debentures in London on June 14, 1984 and in New York City on June 19, 1984. Holders who wish to meet with Messrs. Blocker and Allen should contact Mr. Allen at 800 Bering Drive, Houston, Texas 77057 (telephone 713/974-9100) or the Exchange Agent at the address provided below.

The information required by Rule 13e-4(d)(1) of the General Rules and Regulations under the Securities Exchange Act of 1934 is contained in the Prospectus and is incorporated herein by reference. The Exchange Offer contains important information which should be read before tenders are made. Copies of the Prospectus and the Letter of Transmittal may be obtained at the expense of International from the Exchange Agent.

—BLOCKER ENERGY CORPORATION

The Exchange Agent:

Banque Internationale a Luxembourg, S.A.

By Mail:
Two Boulevard Royal
Luxembourg
Attention: Mr. Daniel Schammo
Telephone: 352-4791-399

Facsimile Transmission:
Telex Number: 3626
Attention: Mr. Daniel Schammo
Telecopier Number: 352-27913
Attention: Mr. Daniel Schammo

May 31, 1984

U.S. $25,000,000

IBJ

The Industrial Bank of Japan, Limited
London

Floating Rate London-Dollar Negotiable Certificates of Deposit due 29th May, 1987

In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 31st May, 1984 to 30th November, 1984 the Certificates will carry an Interest Rate of 12 11/16% per annum. The relevant Interest Payment Date will be 30th November, 1984.

Credit Suisse First Boston Limited
Agent Bank

CCF

CREDIT COMMERCIAL DE FRANCE
U.S. $150,000,000 Floating Rate Notes due 1996

For the six months
31st May, 1984 to 30th November, 1984
the Notes will carry an interest rate
of 12¾% per annum with a coupon
amount of US$64.81. The relevant interest
payment date will be 30th November, 1984.

Listed on the Luxembourg Stock Exchange
By: **Bankers Trust Company, London**
Agent Bank

Swire Pacific Limited and Swire Properties Limited

Proposals for Swire Pacific Limited to acquire the minority interests in Swire Properties Limited

The Board of Swire Properties announces that the Scheme document has been posted today to shareholders; it contains details of the proposals including forecasts of the profits and dividends of Swire Properties Limited and of Swire Pacific Limited for the year ending 31st December 1984, together with valuations of the Swire Properties Group's properties.

The Board of Swire Pacific Limited announces that a copy of the Scheme document and an explanatory circular have also been posted today to the shareholders of Swire Pacific Limited.

Meetings of the shareholders of each company have been convened for 25th June 1984.

Swire Properties Limited **Swire Pacific Limited**

Hong Kong, 28th May, 1984.

Enquiries:

Wardley Limited (financial advisers to Swire Pacific Limited)
P. Innes-Ker (5)-8418418

Hambro Pacific Limited (financial advisers to Swire Properties Limited)
T. Montague-Johnstone (5)-265237

The Swire Group

U.S. $15,000,000

Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 30th Nov. 1984

THE SAITAMA BANK LTD.
LONDON

In accordance with the provision of the Certificates, notice is hereby given that for the six months interest period from 31st May 1984 to 30th November 1984 the Certificates will carry an Interest Rate of 12⅛% per annum. The relevant interest payment date will be 30th November 1984.

Merrill Lynch International Bank Limited
Agent Bank

Company Notices

J. Rothschild Investment Holdings B.V.
(the "Company", formerly called
Rothschild Investment Holdings B.V.)

The outstanding £9,600,000 14½ per cent. Guaranteed Bonds due 1990 of the Company (the "Bonds")

guaranteed by

RIT and Northern p.l.c.
("RITN")

constituted by Trust Deeds of which the principal is dated 21st August, 1980 (together the "Trust Deeds") all made between (inter alios) the Company and The Law Debenture Corporation p.l.c. (the "Trustee") as trustee for the holders of the Bonds (the "Bondholders")

Notice of further modification of rights relating to the Bonds

NOTICE IS HEREBY GIVEN to the Bondholders that:—

(1) the recommended offers made on 25th November, 1983 by Charterhouse Japhet plc, Morgan Grenfell & Co. Limited and S. G. Warburg & Co. Ltd. on behalf of Charterhouse J. Rothschild plc ("CJR") to acquire the whole of the share capitals of The Charterhouse Group plc ("CG") and RITN having been declared unconditional on 19th December, 1983, both CG and RITN are now subsidiaries of CJR;

(2) in order to permit the release of RITN from its guarantee and other obligations in respect of the Bonds under the Trust Deeds, the Company, RITN and CJR have requested the Trustee to concur in further modifications to the Trust Deeds involving (inter alia) (a) the giving of a guarantee and like other obligations in respect of the Bonds by CJR and (b) the charging by CJR in favour of the Trustee by way of first fixed legal mortgage of an amount of cash equal to 130 per cent. of the aggregate principal amount of the Bonds for the time being outstanding as security for such guarantee, the liability of CJR under such guarantee being limited to such security;

(3) the Trustee, advised by J. Henry Schroder Wagg & Co. Limited, being of the opinion that the modifications mentioned in (2) above are both proper and in the interests of the Bondholders, has concurred in such modifications in accordance with its powers under the Trust Deeds;

(4) such modifications are contained in a Second Supplemental Trust Deed made between the Company, RITN, CJR and the Trustee dated 8th May, 1984 whereunder:—

  (a) CJR has given the guarantee, other obligations and mortgage referred to in (2) above; and

  (b) with effect on and from the date therein provided (which is yet to be ascertained) on which RITN falls to be released from its guarantee and other obligations in respect of the Bonds under the Trust Deeds (the "Substitution Date"), notice whereof will be given to Bondholders as soon as practicable thereafter, RITN will be released therefrom and CJR will be substituted for RITN thereunder on the terms indicated above and will accordingly thereby become the sole guarantor in respect of the Bonds.

Particulars of the Bonds as so modified will be available in the statistical services of Extel Statistical Services Limited on and after the Substitution Date. Any Bondholder who wishes to inspect copies of the Trust Deeds (including the Second Supplemental Trust Deed mentioned above) or, on and after the Substitution Date, to obtain a copy of the Terms and Conditions of the Bonds as so modified may do so at the specified offices of the Paying Agents listed below:—

PRINCIPAL PAYING AGENT
The Chase Manhattan Bank, N.A.,
Woolgate House,
Coleman Street,
London EC2P 2HD.

PAYING AGENTS
Banque de Commerce S.A.,
51/52 Avenue des Arts,
B-1040 Brussels.

Chase Manhattan Bank Luxembourg S.A.,
47 Boulevard Royal,
Luxembourg.

Chase Manhattan Bank (Switzerland),
Genferstrasse 24,
8027 Zurich.

Dated 31st May, 1984

J. Rothschild Investment Holdings B.V.
P. M. Storm
Managing Director

QUEBEC CENTRAL RAILWAY COMPANY

4% FIRST MORTGAGE DEBENTURE STOCK

In preparation for the payment of the half-yearly interest due August 1 1984 on the above Stock, the Transfer Books will be closed at 3.30 p.m. on July 6 and will be re-opened on July 10 1984.

W. E. REEVS
Assistant Secretary

98 Finsbury Square,
London EC2A 1DD.
May 31 1984.

Motor Cars

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INTERNATIONAL CAPITAL MARKETS

EUROBONDS

$50m issue from Bank of Scotland

By Mary Ann Sieghart in London

AMID investor apathy in the secondary Eurodollar bond market, the Bank of Scotland launched the only dollar issue of the day.

It is raising $50m through a 12-year bond which pays a fixed rate of 14¼ per cent for the first seven years and ¼ per cent over the six-month London interbank offered rate (Libor) for the final five years. Credit Suisse First Boston is running the books, with Kleinwort Benson as a co-lead manager.

The Bank of Scotland is swapping the fixed-rate portion for floating rate funds which will cost less than Libor, bringing the cost of the deal, including fees, to a rate under Libor for the full 12 years. This means that the whole operation is much cheaper than a 12-year floating rate note would be.

The bond is callable after seven years at par, so from the investor's point of view, it will be seen as a normal seven-year fixed rate bond. It was issued too late in the day for a price to be made, but other new issue managers suggested that the coupon was rather aggressive in present market conditions, where Japanese bank paper can be bought in the secondary market with yields of well over 14 per cent.

The European Investment Bank is raising Ecu 60m through an eight-year bond paying 11½ per cent. Lead manager Société Générale de Banque will price the deal on June 13. The Inter-American Development Bank launched a Fl 200m public issue yesterday. It has a 10-year life with a 9 per cent coupon at a price of 99½ and is led by ABN Bank and Amro.

In the Samurai market, the Korea Development Bank is raising Y10bn through a seven-year bond with an 8 per cent coupon at a price of 99½. Lead manager is Yamaichi Securities.

Trading in secondary markets was listless yesterday. Dollar prices fell by around ⅛ point, while D-Mark bonds were marked down ¼ point. In Switzerland, though, prices gained slightly on the day. Today is a public holiday (Ascension Day) in Continental Europe.

BHF Bank bond average

May 30		Previous
98.239		98.892
High	1984	Low
100.009		98.056

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 30.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	89½	89¾	−0¼	−1⅛	13.74
American Savings 12 08	125	95½	96	−0⅝	−0¼	13.21
American Sav 12¼ 89	100	97½	98	−0⅜	−0⅜	12.88
Australia Comm 11¼ 90	100	96⅛	96⅝	−0⅛	−0⅜	12.05
Australia Comm 11½ 95	300	87¾	88⅛	−0⅜	−1⅛	13.68
Australian Ind Dev 11 89	75	90⅝	91⅛	+0⅛	−1½	13.73
Bank Of Tokyo 11⅞ 90	100	98⅛	98⅝	−0½	−1	14.10
Beneficial O/S Fin 12 91	100	88½	89	−0⅝	−0⅞	14.72
Citicorp O/S 11⅜ 90	100	93½	94	−0½	−1⅛	12.69
Creditanstalt 13⅛ 91	100	97½	98	0	0	13.98
B.B.C. 11¾ 91 WW	50	89⅞	90¼	−0½	−0¾	14.12
B.B.C. 11¾ 91 XW	50	89⅝	90⅛	+0⅛	−0⅞	14.22
Denmark Kingdom 12 91	100	89¼	89¾	−0¼	−0⅞	14.50
Denmark Kingdom 12¾ 93	100	89⅞	90⅜	−0¾	−1¼	14.16
Digital Equip 11¾ 89	150	93⅜	93⅞	−0⅜	−1	13.91
Dutch Mines 11⅞ 91	150	86⅝	87⅛	−0⅜	−⅝	14.51
E.D.C. 11⅛ 89	150	90⅛	91⅛	−0⅜	−0¼	13.76
E.E.C. 12 93	50	91¾	92¼	−0⅛	−0¼	13.53
E.I.B. 11½ 90	200	89⅛	89⅝	−0⅜	−1⅛	14.04
E.I.B. 12½ 90	100	94½	95	−0⅜	−1	13.84
E.I.B. 12⅞ 94	100	94¾	95¼	−0¾	−1⅛	13.82
Eurofima 12½ 91	100	93⅜	93⅞	0⅛	−1¼	13.88
Gen Elec Credit 11 91 WW	200	91¾	92¼	−0¼	−1⅛	12.82
Gulf & Western 12⅛ 89	100	92⅞	93⅜	−0¼	−1⅛	14.16
I.I.I. 12 89	100	92¼	92¾	−0⅜	−0¾	14.22
Indust Bk Japan 11½ 08	125	98¾	98⅞	−0½	−1½	14.31
Indust Bk Japan 11⅞ 91	100	88½	89⅛	−1½	−1⅛	14.24
Int Paper O/S Fin 12 91	75	94¼	94¾	−0½	−	13.25
ITT Finance 11½ 89 WW	125	95⅜	95⅞	−0⅜	−1½	12.60
L.T.C.B. 11⅞ 08	100	90¾	91¼	−0⅜	−2⅛	14.56
Macy O/S 11¾ 01	100	91⅛	91⅝	0	−0⅜	12.77
Mitsui Trust Fin 12 81	100	89⅜	89⅞	−0⅜	−1½	14.55
Montreal, City 12½ 01	70	94½	95	−0⅝	−0⅞	13.11
Morgan Guaranty 12¼ 99	150	93¾	94¼	−0⅜	−0⅛	14.00
Nat Gasunie 11¼ 91	75	87⅜	87⅞	−0¾	−2¼	14.18
Newfoundland Prov 13 01	75	100¾	101¼	+0⅜	0	12.75
Nippon Credit 11⅞ 90	100	89⅜	89⅞	−0¼	−1¼	14.40
Nippon Tele 11⅜ 90	100	91⅛	91⅝	−0¾	−1	13.80
Nova Scotia Pro 11⅜ 01	100	89½	90	−0⅝	−2	14.18
Ontario Hydro 11⅝ 94	200	87½	88	−0⅝	−0¼	13.86
P.K. Banken 12 90 WW	75	88⅞	89⅜	−0¾	−1¼	14.67
Prudential 10⅞ 93 XW	150	81	81¾	+0⅛	−0½	13.71
Quebec Hydro 11½ 92	100	†90⅝	91⅛	−0⅜	−1¼	13.29
Quebec Province 12¼ 94	150	93½	94	−0½	−1½	13.41
Royal Bk of Can 11½ 89	100	90¾	91¼	−0⅜	−1	14.20
Rural & Ind Bk 12 01	50	91¾	92¼	−0⅛	−1	13.87
Sears O/S Fin 11½ 88	125	93¾	94¼	−0¼	−0½	13.38
Sears O/S Fin 11⅛ 01	150	91	91½	−0½	−1	13.67
Sec Pac O/S Fin 11⅝ 89	75	†88⅛	88⅝	−0⅜	−0¼	15.21
Sec Pac O/S Fin 12 92	100	90⅜	90⅞	−0⅛	−0⅛	14.09
G.E.K. 11½ 89	100	91	91½	−0⅛	−1	14.13
Shearson/Amex 12⅛ 94	100	89½	90	−0⅛	−0¼	14.05
Statoil 12 88	100	95½	96	−0⅝	−1	13.45
Sumitomo Fin 12¾ 91	150	92¼	92¾	−0⅜	−1¼	14.52
Sweden Kingdom 12⅞ 89	200	94⅛	94⅝	−0½	−1¼	14.02
Texas Insts Int 11⅞ 91	150	91⅛	91⅝	−0¼	−1	13.89
Tokai Asia 12⅛ 91	100	91	91½	−0⅛	−0¼	14.33
World Bank 11⅞ 88	200	91⅜	91⅞	−0½	−1¼	13.88
Yasuda Tst&Fin 12⅞ 89	100	92⅞	93⅜	−0½	−1¼	14.49

Average price change On day −0⅛ on week −1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	98⅞	99½	0	0	7.80
Amca Int'l 8¼ 01	100	100⅛	100⅝	−0¼	−0½	8.14
A.B.A.B. 8½ 01	150	99¾	100¼	−0⅜	−0½	8.48
Austria Republic 7⅝ 94	200	96⅛	97⅛	0	−1	8.03
Baxter Travenol 7⅞ 94	200	97	97½	−0⅛	0	7.63
Credit National 8½ 94	200	98½	99⅛	0	−0⅛	8.20
Degussa Int Fin 7½ 94	100	100⅞	101⅜	−0⅛	0	7.31
E.E.C. 8 92	200	98⅞	99⅜	0	0	8.12
E.I.B. 8 01	250	99½	100	0	+1¼	8.03
Exxon 8 92	150	97⅞	98⅜	+0⅛	−0⅜	8.38
Ferrovie Dello Stato 8 91	100	99⅝	100⅛	+0⅛	+0½	7.98
Finland Rep 7½ 91	150	97	97½	0	0	7.89
Int Standard Ele 7⅞ 90	100	99½	100	0	+0½	7.44
Megal Fin 8⅛ 94	150	99½	100⅛	−0⅛	−0¼	8.26
Mitsubishi Hvy 3½ 89WW	300	98	98¾	+0⅛	0	3.87
Mitsubishi Hvy 3½ 89XW	300	84⅞	85⅜	0	0	7.22
Nippon Flour 3½ 89 WW	30	92⅞	93⅜	−0⅛	−1⅛	5.23
Nippon Flour 3½ 89 XW	30	82½	83¼	−0⅛	−0½	7.59
O.K.B. 7½ 89	100	98¼	98¾	−0⅝	−0¼	7.72
Pepsico O/S Fin 7¼ 94	250	98⅞	99⅜	0	+0¼	7.43
Reynolds O/S Fin 7⅜ 94	175	98⅜	98⅞	0	−0¼	7.57
S.N.C.F. 8⅛ 93	100	99	99¾	−0⅛	0	8.21
Sth Africa Rep 8½ 91	200	100	100¾	−0⅛	−0⅛	8.42
World Bank 7¾ 89	100	99⅞	100⅜	+0⅛	+0½	7.67
World Bank 8 93	300	98⅞	99⅜	0	0	8.14
World Bank 8 94	200	98⅞	99⅜	−0⅛	−0⅛	8.13

Average price change On day 0 on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 6 94	100	99½	99¾	+0⅛	0	6.05
Australia Comm 5⅜ 98	80	96½	96¾	−0½	+0⅛	5.52
Austria Republic 5½ 94	150	97½	97¾	−0½	−0½	5.82
Cofiroute 7 94	80	102½	102¾	+0½	0	6.62
Consol Press 6⅞ 94	200	98¾	99	0	0	6.48
E.I.B. 6¾ 96	125	99¼	99½	0	−0¼	6.82
Elec Power Dev 5⅝ 93	100	96½	96¾	+0⅛	−1	6.09
Finland Republic 5¾ 94	100	98½	98¾	0	+0⅛	5.94
Int-Am Dev Bk 6 96	100	99	99¼	0	0	6.10
Japan Dev Bank 5½ 94	100	98⅛	98½	+1⅛	+0¼	5.72
Japan Fin Corp 5½ 94	100	97	97¼	0	0	5.89
Kyushu Ele Power 5⅝ 92	100	100½	100¾	+0½	+0⅛	5.52
Lonrho Int Fin 6⅞ 94	100	100¾	101	+0¼	+0¼	6.25
Nat Australia Bk 5⅝ 94	100	96¼	96½	−0⅛	+0¼	5.84
New Brunswick 5⅝ 94	100	†97½	97¾	+0⅛	+0¼	5.95
Newscorp 6⅛ 94	175	100¾	101	−0½	0	6.12
Nippon Express 5⅛ 94	100	96	96¼	+0⅛	−0½	6.42
Nippon Yusen K K 5⅜ 92	100	97¼	97½	0	−0¼	6.18
O.K.B. 5¾ 92	100	100¼	100½	+0⅛	0	5.68
Sec Lux Cent 5⅜ 93	100	†99¼	99½	−0¼	−0½	5.81
Spain Kingdom 6⅛ 92	100	101½	102	+0⅛	+0⅛	5.96
Sweden Kingdom 5¾ 94	125	99½	99¾	+0⅛	−0¼	5.80
Tohoku Ele Power 5¾ 92	100	98¼	98½	+0¼	0	6.01
Transcanada Pipe 5½ 92	100	97⅞	98⅛	+0⅛	+0⅛	5.82
World Bank 5¾ 94	200	98	98¼	−0⅛	+0¼	6.01

Average price change On day +0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅛ 94	15	95	95¾	−1¼	−3½	8.07
Eurofima 7⅛ 94	10	95⅝	96⅛	−0⅛	−2	7.88
Int-Am Dev Bk 7⅞ 93	15	98	98½	−0⅛	−0⅜	8.14
[illegible] Bank 7 94	20	93⅛	93⅝	−0⅝	−1⅛	7.97
[illegible] Bank 7⅜ 93	20	97⅛	97⅝	−1⅛	−2⅛	8.00

Average price change On day −0⅛ on week −2⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col Hyd 12 93 C$	125	93¼	93¾	−0⅜	−0⅞	13.20
Br. Col Tel 12¾ 89 C$	70	93⅝	94⅛	−0⅝	−0¾	13.19
Can Imp Cm 12⅞ 89 C$	60	†93½	94	−0¾	−1	13.34
E[illegible] 12½ 91 C$	80	†94½	95	−0⅞	−0¾	13.22
Lu[illegible] 12½ 90 C$	35	†90⅝	91⅛	−0⅝	−1⅛	14.88
Montreal City Of 12 08 C$	50	†90¾	91¼	0	−0⅜	12.99
World Bank 12⅞ 90 C$	75	†95⅛	95⅝	−0⅛	−1⅛	13.10
Austrian Rep 10⅝ 93 ECU	100	97⅛	98¾	+0¾	−0⅛	11.87
G[illegible] 10⅞ 92 ECU	50	96⅞	97⅜	+0⅛	0	11.41
A[illegible] 8 89 FL	200	98½	99	−0⅛	−0⅛	8.31
Bk Mees & Hope 8¼ 89FL	100	98⅞	99⅜	0	−0¼	8.50
Electrolux 8 89 FL	60	98	98½	−0⅛	−0⅛	8.47
Int Stand Ele 8½ 89FL	100	100½	101	−0⅛	−0½	8.28
PHP 8⅛ 89 FL	75	93⅝	98⅛	−0¼	−0⅛	8.44
Rabobank 8 89 FL	150	99¼	99¾	+0⅛	−0⅛	8.35
O.K.B. 14 88 FF	400	101⅞	102⅜	+0⅛	0	12.78
Solvay & Cie 14¾ 88 FF	200	102⅛	103⅛	+0⅛	+0⅛	12.91
Air Canada 11⅛ 88 £	40	91⅛	92½	−0⅛	−1⅛	12.88
Commerzbank 11½ 98 £	25	98⅛	98⅝	−0⅛	−1⅛	11.67
Ccd Europe 11⅞ 92 £	50	93¼	94	−0⅛	−1⅛	12.89
Denmark 10⅞ 89 £	75	93⅛	94	0	−1	12.56
E.E.C. 11⅛ 94 £	50	93⅞	94⅜	−0⅜	−1⅛	12.59
E.I.B. 10¾ 93 £	50	90¾	91¼	−0⅛	−1⅛	12.58
Finland Rep 11⅞ 89 £	50	99½	100⅛	−0⅛	−0¼	11.91
Forsmarks 10⅝ 98 £	40	93⅛	93⅝	0	−0¾	11.59
I.B.J. 11⅝ 85 £	30	98⅛	98⅝	−0⅛	−1⅛	12.10
I.I.I. 10¾ 93 £	25	92¼	92¾	0	−0⅛	12.19
Int Stand Ele 11⅝ 89 £	50	96⅞	97⅜	−0⅛	−0⅛	12.90
Ireland 11⅝ 94 £	50	91½	92⅛	−0⅛	−1⅛	12.88
New Zealand 10⅝ 88 £	100	92½	93	−0⅜	−2⅛	12.88
SNCF 11¼ 94 £	80	91⅛	91⅝	−0⅛	−1⅛	12.80
World Bank 10⅝ 88 £	100	93⅞	94⅜	−0⅛	−1	12.32
Electrabel 10 88 LF	500	99⅛	99⅝	+0⅛	+0⅜	10.36
Ccd Europe 10¾ 93 LF	600	100	101	+0⅛	+0¼	10.65

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Banking 5¼ 95	0⅛	†98⅛	98⅝	15/9	10.81	10.93
B.B.L. Int 5 99	0⅛	98⅞	98⅝	11/10	11.19	11.38
Banca Naz Lavoro 5¼ 91	0⅛	†98½	99	26/10	11.44	11.58
Bank of Montreal 5 96	0⅛	99⅜	99⅞	27/10	11.19	11.24
Bankers Trust 5¼ 96	0⅛	99¼	100	10/9	11⅝	11.70
Banque Indosuez 5⅛ 89	0⅛	98⅞	99	21/9	11.06	11.19
Barclays O/S Inv 5 2004	0⅛	97⅞	98⅛	2/8	10.66	10.78
BFG Fin 5⅛ 98	0⅛	99	99½	1/6	10⅞	10.45
Commerzbank 5⅛ 89 XW	0	99⅛	99⅝	21/8	11.10	11.24
Creditanstalt Bank 5 96	0⅛	97¾	98	23/8	10⅞	10.73
Dai-Ichi Kangyo 5⅛ 96	0⅛	99⅛	99⅝	10/11	12⅛	13.25
Dresdner Fin 5⅛ 89	0	99⅜	99⅞	23/8	11⅛	11.68
E.D.F. 5⅛ 99	0⅛	99⅜	99⅞	23/8	10.56	10.72
Ferrovie Stato 5¼ 99	0⅛	98¾	99	31/8	10.80	10.91
Lloyds Euro 5 2004 §	0⅛	98⅛	98⅝	10/10	11.31	11.51
Midland Int Fin 5 99 §	0⅛	98⅞	99⅛	6/8	10.56	10.75
Nort Bk Danmark 5⅛ 99+	0⅛	99⅛	99⅝	11/8	11	11.06
Nat West-Perp 6 89	0⅛	100	100⅛	10/11	12.44	12.42
Neste Oy 5⅛ 94	0⅛	99	99¼	23/8	10.58	10.66
Oster Land 5⅛ 88 §	0⅛	97⅛	97⅝	11/10	11.10	11.49
Queensland Coal 5¼ 96	0⅛	99¾	100	8/11	11⅛	11.64
Societe Gen 5⅛ 94	0⅛	98¾	99	15/8	10.19	10.38
Spain 5⅛ 91	0⅛	98	98¼	23/8	10.56	10.76
Sweden Kingdom 5⅛ 2024	0⅛	92¾	93	22/8	11.19	11.43
Takugin 5⅛ 94 §	0⅛	98⅞	98⅞	15/8	10¾	10.88

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1169	91⅛	92⅛	−0⅛	−2.31
BBC Brown Boveri 4¼ 95	2/84	100	†83	94½	0	−0.64
Daiwa Sec Co 5½ 98	10/83	481.8	†122	123½	+1	−1.55
Fanuc 3⅞ 98	1/84	8142	122½	123⅞	−2½	20.33
Fujitsu 3 99	5/84	1320.9	91⅞	93⅛	−1⅛	4.22
Honda Motor 5¼ 98	8/83	884	126⅜	126⅞	−1⅛	−3.79
Konishiroku Photo 4 98	10/83	823	87⅛	88⅛	+0¼	−2.73
Kyowa Hakko 6⅛ 97	2/83	782	112½	114	−1⅛	1.13
Minebea Co Ltd 5½ 98	5/83	887	107⅞	108⅞	+0⅛	−0.44
Mitsubishi Elec 5⅛ 98	6/83	396	99⅞	100⅞	−0⅛	−1.57
Mitsubishi Heavy 4⅞ 99	1/84	263	84⅛	85⅛	−0½	0.86
Murata 3½ 98	2/84	2938	106½	108½	+0½	21.89
Nippon Oil Co 3⅞ 99	3/84	1052	101½	102½	−2½	0.98
Nippon Oil Co 5½ 98	4/83	984	114¾	115⅝	−0⅛	2.61
Nissan Motor 5⅛ 98	4/83	780	99⅛	100⅛	−0⅛	0.30
Ono Pharm'cal Co 3¼ 98	3/84	9400	135	136⅛	+0⅛	−3.38
Orient Leasing 5⅛ 98	6/83	2880	122⅞	123⅞	−2⅛	−3.87
Secom 5 98	11/83	2070	183⅛	185⅛	−2½	−9.93
Sumitomo Corp 2⅝ 99	5/84	593	86½	87½	−0½	3.21
Yamaichi Sec Co 5 98	8/83	449.5	127⅛	128½	+0⅛	−4.94
Yamanouchi Pharma'cal 4 00	10/83	1889	90⅞	86⅞	−2¼	17.41
Nippon Oil Co 2⅛ 92 SF	3/84	1062	107½	108½	+0⅛	3.50
Nippon Shinpan Co 2 92 SF	3/84	891	92	94	−0½	26.82
Settsu Paper 2⅛ 92 SF	4/84	877	118½	121	−1¼	−2.70
Asics 5 92 DM	12/83	520	102	103⅝	+0⅛	23.73
Sum Realty 6⅛ 92 DM	2/83	206	153½	154⅝	+0⅛	−8.88

* No information available previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 38

Stock	Sales (Hnds)	High	Low	Last	Chng
Ocilla	761	15	14¼	14¼	
Odetics	4	11	11	11	
OffsLog	134	6⅞	6¼	6⅞	+¼
OhioCa 2.68	120	39	38⅛	38⅞	−⅛
OldRep .68	173	31	30¾	30¾	
OldSt pfC 2.60	55	19½	19	19½	−⅛
OnLine	10	9½	9½	9½	−¼
Onyx	625	3⅞	3½	3⅞	+⅛
OptcC	49	22	21	22	+1
OrbcR s	249	34¼	32¾	34¼	+1
Orbanc	47	12½	12	12½	−⅛
Orbit	483	5⅞	5½	5½	−⅛
Oshmn .20	75	15	14½	14½	−½
OttrTP 2.56	70	23½	23	23½	+⅛
OwenMn .36	58	11½	11⅛	11½	−⅛
Oxoc	87	7	6⅝	7	
P—Q					
PNC 2.12	45	37½	37¼	37½	+⅛
PacstB s	255	6⅞	6¼	6⅛	−¼
Paccar s 1.20	110	39	38¾	39	
PacTel	61	13	12¾	12⅞	−⅛
PacePn	165	16⅛	15⅞	15⅞	
PancM s .10	33	6⅛	6¼	6⅛	−⅛
Pansph	33	13⅞	13¼	13¼	−⅛
PankCn .50	25	14½	14¼	14¼	−⅛
PatTc s	123	12⅛	12	12⅛	−⅛
Patrkl	85	8⅝	8	8¼	+⅛
PaulH s	42	12½	12½	12½	−⅛
PaulPt	139	10¾	9⅞	9⅞	−1½
PayN .60	1326	16¼	15	16	+1
PeariH	257	18½	15½	18½	−⅛
Pentar s .76	155	25	24⅞	24⅞	+⅛
PeopE s	702	12½	11¾	12½	+⅞
PeopRl	126	4½	2⅞	2½	
Percept	26	10	9½	10	
Petrlte 1	45	27¼	26½	27	
Pharmct	595	15	14	14⅛	−⅛
PSFS	7096	7⅞	6⅞	7	−⅛
PhxMat	2	1⅞	1⅞	1⅞	
PicSav s	738	16¼	16½	16¼	+⅛
PicCafs .60	65	19¼	19	19¼	+⅛
PionHi .60	556	24	23½	24	−¼
PionStd .22	21	21¼	21	21	
PlayM s	30	24½	24¼	24¼	−⅛
Porex	632	18⅛	17½	17½	−⅛
PossSl 1	143	5½	5⅜	5½	−⅛
Powell	34	3¼	3	3	−⅛
Powrtc	65	13½	12¾	13½	+¼
PwConv	62	6⅛	6	6½	
PrecCst .12	38	21½	21	21½	
Preway .50b	2	8	8	8	
Priam	311	7	6½	6⅞	
PrcCm	3	6¼	6	6¼	
PriceCo	669	58¾	56½	56½	
Prtronx	190	19	19	19	−⅛
ProdOp .12	315	7¼	7	7¼	−⅛
ProgCp .15	15	31½	31½	31½	+⅛
Propitr 1.20	23	13⅞	13¾	13⅞	+½
Protcol	9	7	6½	6½	−½
Provin	33	15⅛	15⅛	15⅛	−⅛
Quadrx	101	4¼	4⅛	4½	−⅛
QuakrC .58	11	23¼	22⅛	22⅛	−¼
Quanim	55	17	16½	17	+½
QuestM	143	4⅛	4⅛	4⅛	+⅛
QualCre	40	7⅞	7½	7⅞	−⅛
QuaMb	128	18½	18¼	18½	
QualSy	201	6⅛	5⅛	5⅛	
Quartl s	115	11½	10⅞	11½	+⅛
Quotrn s	1156	10⅛	9⅞	10	+⅛
R—R					
RAX .01e	42	13	12⅞	12⅞	−⅛
RPM s .56	55	12⅛	12⅛	12⅛	−½
RadSy s	74	13½	12⅞	12½	+⅛
RadTch	132	9¼	9⅛	9⅛	−½
Radice	161	7⅞	7⅞	7⅞	
Ragen s	158	4⅞	4⅝	4⅝	−⅛
Rainr 1.76	126	34¼	34½	34½	−⅛
Ramtek	11	8⅞	8¼	8⅞	
RayE s .24	15	15¼	14⅞	15⅛	+½
Recotn s	10	8⅞	8⅞	8⅞	−⅛
RedknL .52	23	30¼	30	30¼	+¼
Reeves	73	6½	6¼	6½	
RgcyE s .20	165	7½	7¼	7½	+⅛
Regis .15	2	28¾	28¾	28¾	
Rehab	48	15⅞	15½	15½	
Reliab	18	9⅞	9⅞	9⅞	
Renal	13	7¼	7	7	−⅛
RpAuto .44	7	8¼	8	8	−⅛
RpHlth	12	12⅞	11⅞	12⅛	−⅛
Reuter	27	11	10⅞	10⅞	−⅛
Rexon	103	8⅞	6¼	6½	+⅛
Rhodes s .20	38	7⅞	7⅞	7⅞	−⅛
Ribilm	36	6½	6¼	6¼	−⅛
Ritzys s	86	6¼	5¼	6¼	
Rival .80	85	10⅛	10¼	10⅛	
RoadS 1	811	51½	50¾	51½	+¼
Robesn 1	2	9	9	9	
Rockcor	331	10⅞	10⅛	10¼	+⅛
Rouse .92	64	33⅞	33¾	33¾	−⅛
RoyBGp	35	5⅛	5⅛	5⅛	
RyanFs	60	17¼	17	17	−⅛
S—S					
SCI Sy s	2255	14	13¾	14	+¼
SEI	118	13⅞	13¾	13⅞	
SRI s .68	635	15⅛	14½	15	
Safecrd	118	6¼	5½	6	−⅛
Safeco 2.60	205	60¼	58¾	59½	−⅛
StJude	86	13⅛	13	13⅛	−½
StPaul 3	1717	50	49	49⅛	−⅛
SalCpt	187	3⅛	2⅞	3⅛	+⅛
SanBar	14	5⅞	5½	5⅞	−⅛
Satelco	75	2⅛	1⅞	2⅛	+⅛
SavnF .60a	18	41	40½	40½	−⅛
SvBkPS .72	9	19⅛	18⅞	18⅞	
ScanOp	133	9⅞	8½	8⅞	+⅞
ScanTr	121	13⅛	13⅛	13⅛	−⅛
Scherer .32	753	10⅞	10¼	10⅜	−⅛
Scimed	7	8	9	8	−½
SeaSn	76	19½	18	19	−½
SbSySv	2	6¼	6	6¼	+¼
Scitex	77	16¼	16¼	16¼	
SeeCal	452	9⅞	9¼	9⅞	+¼
Seagate s	2913	10½	9⅞	10½	+⅛
SecTag	97	3⅞	3⅛	3⅞	−⅛
Seibel .80	25	20½	20½	20½	
Semicn	7	9¼	9½	9½	+¼
Sensor .05	2422	6⅛	7½	6⅞	+¼
SvcMer .08	1709	11½	10⅛	11⅛	
Svmst s 1.01	43	28	27⅞	28	+¼
Servico 1	8	15⅛	15⅛	15⅛	
SvcFrct	12	9⅞	9⅞	9⅞	+⅛
SevOak .16	297	14⅛	14¼	14½	
ShrMed .40	320	27¼	26⅞	26¾	−⅛
Sheldhl	84	13⅛	12¾	13⅛	
Shoney .16	1006	22	21⅜	22	+¼
ShonSth	5	14⅛	14⅛	14⅛	−⅛
SilicnG s	12	12⅛	11⅞	12¼	+½
SiliconS	171	23	22½	23	
SlicVal	24	22⅞	22¼	22⅞	−⅛
Silicnx s	151	14	13½	14	+¼
Siltec	13	9	8⅞	9	+⅛
Simpln .80	481	14½	14	14½	+¼
SippOcn	15	11½	11⅛	11½	
SioCp	53	6½	6¼	6½	+¼
Sizeler s	126	11⅞	11½	11⅞	+⅛
Skipper .08	68	10⅛	10	10⅛	+½
SmithL	145	6	5½	5⅞	−⅛
Society 1.70	10	29½	29	29	−⅛
SocitySv	140	11⅛	10⅞	10⅞	−½
Softch s	55	7¼	7½	7¼	+⅛
SonocP 1.20	220	41⅛	40½	40⅞	−1
SoonrFd	40	19⅛	19	19⅛	+¼
SthdFn .52	96	22	21½	21½	+¼
Southrst s .88	113	15⅞	15½	15½	−¼
Sovrgn .16	242	6¼	6	6¼	
Sovran 1.50	350	[illegible]	39	26¼	−⅛
SpcMic	28	3⅛	3	3	−⅛
SpanA	11	5	4½	5	+¼
Specd s	182	9½	9	9⅛	−⅛
SpecCd .05	101	7⅛	6¼	6¾	−⅛
StaBld .20	37	9	8⅞	8	+⅛
Standyn 1.80	73	42½	42	42½	+¼
StdMic s	285	19½	17¼	18¼	+⅞
Standn s	13	7⅛	7⅛	7⅞	+¼
StateGp .15b	223	6⅛	6	6¼	−⅛
Steiger	12	9¼	9	9	−⅛
SternL	1	4⅛	4⅛	4⅞	
StewStv	35	13⅛	13⅛	13⅞	
Stratus	168	10	9⅛	9⅞	
StrwCl s	x10	32½	32½	32½	−2⅛
Stryker	34	22	21⅞	21⅞	−⅛
StuartH .05	18	5⅞	5⅛	5⅞	
Subaru 1.24	90	83	82½	82¾	−¼
Summa	368	3½	3⅛	3⅛	−⅛
SumtH .06e	142	7⅛	7	7⅛	
SunCst	55	4½	4⅛	4½	
SunrSL s	168	16¼	15½	15⅞	−⅛
SupSky	5	8½	8½	8½	
SuprEq	51	6⅞	6⅝	6⅞	−⅛
Suprtn s	199	6⅛	6⅛	6⅛	
Sykes	207	3	3	3	+⅛
SymbT	91	8⅛	8	8⅛	−⅛
Syncor	125	5	4⅞	5	
Syntech	12	8⅞	8	8	−⅛
Syntrex	113	6⅛	5⅞	5⅞	−⅛
Syscon .24	22	15½	15	15	
SyAsoc	32	16¼	15½	16	−⅛
Systin	6	8	8	8	−⅛
Systmg	10	9¼	9½	9¼	−⅛
SystGn s	47	7⅛	7⅛	7⅛	−⅛
Systmt s .01t	6	14⅛	14⅛	14⅛	
SCT Cp	283	21⅛	20⅞	21⅛	+⅛
T—T					
TBC	1	9½	9½	9½	−⅛
TCA Cb .12	18	12⅛	12⅛	12⅛	+½
TacVw s	19	7⅛	7	7⅛	+¼
Tambrd 3	274	46⅛	46⅛	46⅛	
Tandem	5391	19¼	11⅛	17¾	−⅞
Tandon	3682	8⅞	8⅜	8⅜	−⅛
TcCom	9	12	11⅞	12	
TlcmA s	130	16⅛	16⅛	16⅛	−⅛
TelPlu s	329	8⅞	8⅞	8⅞	
Telecrd .30	4	17¼	17	17¼	+⅛
Telepict	168	13⅛	13⅞	13⅞	+⅛
Telvid	875	7½	7	7½	+⅛
Telabs s	276	19⅛	18½	19	+⅛
Telxon .01e	1	9⅛	9⅛	9⅛	−⅛
TermD s	1	11½	11½	11½	
Tesdata	11	4⅛	4⅛	4⅞	−⅛
Texon	30	2⅞	2⅛	2⅞	−⅛
Textne .25e	2	15	14⅞	15	−⅛
ThdNt s	514	21⅛	21⅛	21⅛	−⅛
Thortec	83	5½	5⅛	5½	+⅛
ThouTr	493	25½	25¼	25⅛	+¼
TimeFib	10	9⅛	9⅛	9⅛	+⅛
Tiprary 1	57	4⅞	4⅞	4⅞	
Tocom .15	5-16	2⅛	2	16+1	[illegible]
TrakAu	14	12½	12	12½	+⅛
TWstEx	1	3-16	3-16	3-16	−⅛
TriadSy	268	11½	11	11¼	−⅛
TrusJo .36	2	24½	24½	24½	−⅛
TBkGa s .80	173	28⅞	28	28¾	−⅛
TuckDr	6	7⅛	7⅛	7⅛	+⅛
TwnCty	100	2⅞	2⅞	2⅞	−⅛
U—U					
UTL s	111	16	15⅛	16	
Ultrsy .06r	1141	15	14⅛	15	+⅛
Ungmn	134	12½	12	12½	+⅛
Unit	193	10⅛	9⅞	10	+⅛
Unoil e	322	3⅛	2⅞	3⅛	+⅛
UnPlntrs .60	21	23	22⅞	22⅞	−⅛
UACom .10	113	21	19⅛	20⅛	+⅛
UBCol 1	42	17½	11	17¼	−⅛
UnEdS	6	6½	6	6	−⅛
UFnGrp	124	5⅞	5½	5⅞	+⅛
UFstFd	339	10⅛	10	10½	
UGrdn 1	15	7	6⅞	7	
UPres s	153	8⅛	8	8⅛	−½
UnSvcL 1	1	25⅛	25⅛	25⅛	−¼
US Ant	178	5½	5⅛	5⅛	−⅛
US Bcp 1	130	18⅛	18⅛	18⅛	−⅛
US Cap	34	5⅛	5	5½	+½
US Dsgn	03	7	6⅞	6⅞	−⅛
US Hl s	332	25⅛	24	25⅛	−⅛
US Sh n .09e	8	5¼	5¼	5¼	
US Sur	212	12⅛	12⅛	12⅞	+⅛
US Trck 1.20	28	11½	11⅛	11½	+⅛
US Tr 1.60	61	39½	38⅞	38⅞	−⅛
UStatn s	261	16⅛	16	16⅛	+⅛
UnTelev	127	13⅛	13⅛	13⅛	−⅛
UVaBs s 1.44	102	25¼	24⅞	24⅞	
UnvHld	15	4⅛	4⅛	4⅛	
UnvHt s	834	12⅞	12½	12⅞	
UrgeC s	7	5⅞	5⅞	5⅞	+⅛
V—V					
VLI	206	7⅛	6⅞	7⅛	+⅛
VLSI	365	13⅛	13⅛	13⅛	+⅛
ValidLg	188	11⅛	11	11⅛	
ValFSL	45	10	9⅞	10	
ValNtl 1.16	306	21⅛	20⅞	20⅞	−1⅛
ValLne .30e	18	32½	32½	32½	
VanDus .40	2	14⅛	14⅛	14⅛	−½
Vanzeb	3	11½	11½	11½	
VectorG	92	1⅛	1	1⅛	+⅛
Ventrex	130	8	7½	8	
Veta	1990	9-16	½	½	
VeconF	13	3½	3⅛	3½	+⅛
Vcorp s .15e	290	17⅛	16⅞	17	−½
Victras	27	6¼	6	6	−⅛
VideoCp	1	12⅛	12⅛	12⅛	−⅛
Viking s	27	11⅛	10½	11	
VaTech	320	12	11⅞	11⅞	
Vodavi	96	7⅛	6⅞	6⅞	+⅛
Volinf	200	18⅛	17⅛	18	
W—W					
WD 40 .88	40	19⅛	18⅞	19⅛	+½
Walbrt	188	5½	5	5⅛	−⅛
WshE 1.88	84	14⅞	14⅞	14⅞	+⅛
WFSL s .70	91	15⅛	15	15	
WMSB	137	8⅛	8	8	−⅛
Waveth	20	9	8⅞	8⅞	−⅛
Webb s .48	11	14⅛	14⅛	14⅛	
WstCapS 2.84	517	42⅛	42	42⅛	
WmorC .40e	110	24½	24⅛	24⅛	
Westra .80	209	19⅛	18⅞	18⅞	−⅛
Wicat	76	3½	3⅛	3⅛	−⅛
Wedcolr	253	9⅞	9⅛	9⅛	−⅛
Willmt 1.50	81	28¼	25½	28	−⅛
WllAL	139	9⅛	9⅛	9⅛	
WmsSn	5	11	11	11	−⅛
WsnF	248	8⅛	7⅞	7⅞	−⅛
WoodH .20	5	11⅛	11	11	−⅛
Woodor s .07	168	7⅞	7⅞	7⅞	−⅛
Wiltrow	191	8	7⅞	8	
WrnrC .86	91	23½	23	23½	
WestO .60	97	13⅝	13	13⅞	
WoodL s 1.40	141	57⅞	57	57	
Worthg .56	1672	19⅛	19	19⅛	+⅛
Wrage .15e	3	8⅛	7⅞	8⅛	+½
Wyman .80	179	28⅛	25	25⅛	
X—Y—Z					
Xebec s	334	10	9⅛	10	+½
Xicor	500	12⅛	11⅞	12	
Xidex s	461	15½	14⅞	15	−⅛
YlowFr .82	436	24½	24¼	24¼	−⅛
YorkFd	37	16⅞	16¼	16⅞	
Zentec	4	5⅛	5	5	−⅛
Ziegler .48e	7	11⅛	11	11⅛	+⅛
Zigad	28	10½	9⅞	10	−⅛
Zondvo .30	48	13	12⅞	13	−⅛
Zymos	108	4	3⅞	3⅞	+⅛
Zytrex	124	5⅛	4⅞	5	+⅛